Congress of the United States
House of Representatives
Washington, DC 20515

March 18, 2016

The Honorable Sylvia M. Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretary Burwell:

We write to express our concerns regarding the proposed changes to the payment and bidding model for Medicare Advantage Employer Group Waiver Plans (EGWP) included in the Centers for Medicare and Medicaid Services (CMS) 2017 Advance Notice. The proposed changes could result in payment cuts of 3-4% to Medicare Advantage (MA) Retiree Coverage, negatively impacting the 3.3 million seniors who depend on this coverage for high quality affordable health care. We urge you to remove the proposed 3-4% payment cut to MA Retiree Coverage in the 2017 Final Notice scheduled to be released on April 4th.

Private and public employers, including state and local governments and labor unions, depend on MA Retiree Coverage to deliver superior care to their workforce. MA Retiree Coverage can improve health care for retirees by offering care coordination and disease management, comprehensive prescription drug coverage, and protections against out-of-pocket costs. The CMS proposed cut will likely result in increased out-of-pocket costs, reduced access to providers, and fewer health care options for seniors.

While we appreciate CMS's efforts to improve the EGWP program, the networks provided by EGWPs make these plans different from other MA plans. Any changes to the bidding and payment process should follow a detailed analysis that illustrates how the quality of care for seniors will improve and costs to seniors will decrease. A new analysis from the actuarial firm Milliman estimates that total costs of these proposed cuts to the 3.3 million retirees with this coverage could be $870 million in 2017 alone. For millions of retirees on fixed incomes, increased costs would represent a significant hit to their financial peace of mind.

It is critical that the 3.3 million seniors enrolled in MA Retiree Coverage continue to have access to high quality, stable health care delivered by this option. We ask that you remove the proposed cut to MA Retiree Coverage to avoid negatively impacting seniors and employers by this proposal.

Sincerely,

Patrick E. Murphy
Member of Congress

Kyrsten Sinema
Member of Congress

PRINTED ON RECYCLED PAPER

Ann Kirkpatrick
Member of Congress

Tammy Duckworth
Member of Congress

Donald M. Payne, Jr.
Member of Congress

Brad Ashford
Member of Congress

Eric Swalwell
Member of Congress

Ann McLane Kuster
Member of Congress

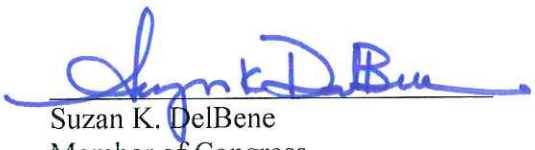
Frederica S. Wilson
Member of Congress

Michelle Lujan Grisham
Member of Congress

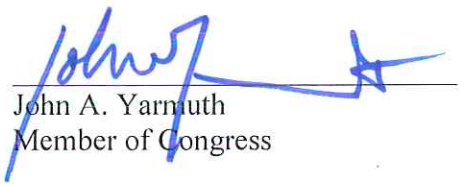
David Scott
Member of Congress

Daniel T. Kildee
Member of Congress

Cedric L. Richmond
Member of Congress



Suzan K. DelBene
Member of Congress



John A. Yarmuth
Member of Congress

Elizabeth H. Esty
Member of Congress

Mark Takai
Member of Congress

Denny Heck
Member of Congress

Filemon Vela
Member of Congress

Cheri Bustos
Member of Congress

Julia Brownley
Member of Congress

Lois Frankel
Member of Congress

Earl Blumenauer
Member of Congress

Scott H. Peters
Member of Congress

Terri A. Sewell
Member of Congress

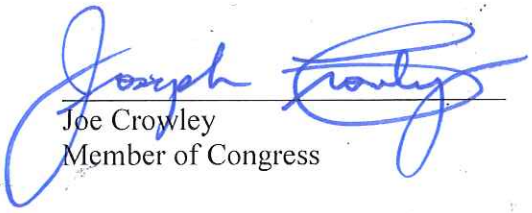
Gwen Graham
Member of Congress

Ruben Gallego
Member of Congress

Pete Aguilar
Member of Congress

Jim Costa
Member of Congress

Raul Ruiz
Member of Congress

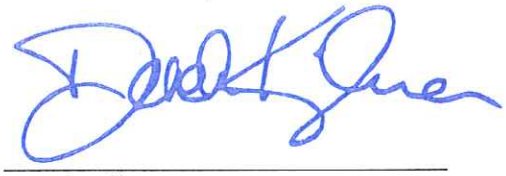


Joe Crowley
Member of Congress

John B. Larson
Member of Congress

Kathleen M. Rice
Member of Congress

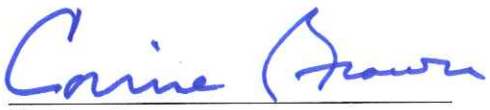
Tony Cárdenas
Member of Congress



Derek Kilmer
Member of Congress

Ami Bera
Member of Congress

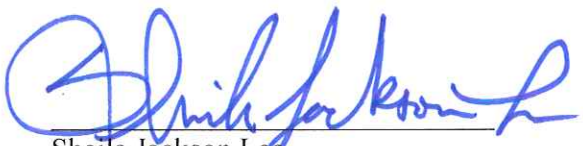
John K. Delaney
Member of Congress



Corrine Brown
Member of Congress

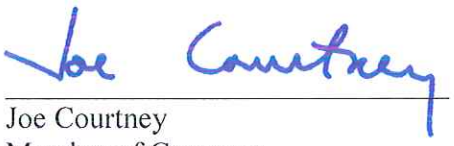
Collin C. Peterson
Member of Congress

Henry Cuellar
Member of Congress



Sheila Jackson Lee
Member of Congress

Linda T. Sánchez
Member of Congress



Joe Courtney
Member of Congress

Yvette D. Clarke
Member of Congress

Steve Cohen
Member of Congress

Kurt Schrader
Member of Congress

John Garamendi
Member of Congress

Theodore E. Deutch
Member of Congress

Beto O'Rourke.

Beto O'Rourke
Member of Congress