March 31, 2017

The Honorable Thomas E. Price, M.D.
Secretary of Health and Human Services
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Mr. Secretary:

We are writing to express our deep concerns regarding the proposed reduction to Medicare Advantage (MA) Retiree Coverage (also referred to as Employer Group Waiver Plans) included in the Centers for Medicare & Medicaid Services (CMS) CY 2018 Advance Notice. In Michigan alone, there are over 400,000 retirees including labor union, state and local government and private employer retirees who rely on Medicare Advantage Retiree Coverage. This proposed reduction would jeopardize the high quality health care that they depend on for their health and financial security. We urge you to ensure that these seniors maintain their retirement certainty and avoid disruption by stopping this proposed reduction to MA Retiree Coverage in the 2018 Final Notice.

In 2017, CMS proposed and partially implemented an alternate payment policy that resulted in a 3-4% reduction of benefits and higher out-of-pocket costs forcing some beneficiaries to exit out of the MA program. The proposal in the 2018 Advance notice seeks to move forward and fully implement the new payment methodology which is estimated to further reduce payments to EGWPs by 1.25%. The significant reduction in payment to MA group plans far outweighs the purported administrative benefits of no longer submitting bids. We strongly urge CMS to avoid any further negative impacts to groups and return to the pre-2017 EGWP payment policy.

The proposal greatly shortens the period of time plan sponsors have to communicate with retirees regarding benefit options available to them which compromises the ability of retirees to make informed decisions on their coverage. Also, because of the cut in payments and difficulty in meeting obligations to communicate with retirees, some plan sponsors might leave Medicare Advantage, thereby diminishing the quality of care available to retirees.

Not just in Michigan, but throughout the entire country, MA retiree Coverage delivers proven care coordination and disease management activities, as well as comprehensive drug benefits that significantly reduce out-of-pocket costs for the most vulnerable retirees, and includes essential
broad provider networks that ensure retirees have access to providers, even in the most rural areas.

If the proposal in the 2018 Advance Notice is implemented, these retirees would experience significant disruption in their coverage, including reduced access to health care options and services, fewer choices of providers and unexpected additional out-of-pocket costs.

It is critical that the 3.6 million seniors throughout the country with MA Retiree Coverage continue to have access to high quality, affordable, and coordinated health care options available through this option. Respectfully, we ask that you stop the proposed reductions to MA Retiree Coverage and preserve the healthcare security of these retirees by supporting the innovative and high quality care offered by this important program.

Sincerely,

Michael D. Bishop
Member of Congress

Paul Mitchell
Member of Congress

Sander M. Levin
Member of Congress

John Moolenaar
Member of Congress

Dan Kildee
Member of Congress

Bill Huizenga
Member of Congress

Debbie Dingell
Member of Congress

Fred Upton
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Tim Walberg
Member of Congress

Dave Trott
Member of Congress

Jack Bergman
Member of Congress

Brenda Lawrence
Member of Congress