

March 15, 2016

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

Dear Secretary Burwell:

In response to the CY 2017 Advance Notice and Call letter, the undersigned business organizations from across the nation urge you reverse several of your proposed changes that if finalized will disrupt the coverage that over 17 million Americans enjoy. First, we urge you to eliminate the proposed change to the payment methodology for Medicare Advantage ("MA") Retiree Coverage. Second, we urge you to restore the funding cuts to the program generally. Medicare Advantage is a highly valued form of coverage enjoyed by seniors, retirees and employers alike. Based on our experience with the MA program, the employer community maintains its long-standing belief that MA embodies health care delivery innovations that result in better health outcomes for individuals and improves our health care system.

Based on the proposed changes, Medicare Advantage Retiree Coverage payments will be cut by nearly 3% which will amount to a reduction of approximately \$750-\$850 million across the program. These reductions will likely increase premiums and/or reduce benefits for retirees. MA plans represent the future of health care delivery as the system continues to move toward customized, integrated care. Unlike original Medicare fee-for-service (FFS), MA plans provide more comprehensive health care services, focusing on care coordination, prevention and wellness to minimize disease progression and treat those with chronic illnesses. For example, a growing part of the MA program includes Employer Group Waiver Plans (EGWPs). More than 3 million retirees receive health insurance coverage through an employer in the form of MA-EGWPs. Employers consistently favor these plans because of their high rates of retiree satisfaction and superior coverage to existing private options, including care coordination and disease management programs not available in traditional retiree coverage.

MA plan enrollees benefit from MA's delivery of high quality clinical care, which has yielded better health outcomes than FFS, including a lower incidence of preventable emergency services, fewer hip and knee replacements and 13- 20% fewer preventable readmission rates. Additionally, MA plan enrollees enjoy innovative benefit and coverage services not offered under FFS including in-home clinical visits with licensed clinicians, prescription drug management tools integrated with medical benefits and vision, hearing and dental benefits coordinated with medical services.

Not only do employers and retirees prefer MA plans because of the innovative integrated care provided, but they also appreciate that MA plans offer reduced out of pocket costs and financial protections not offered in FFS. This includes reduced premiums for Part B and Part D, out of pocket maximums, and lower cost sharing on medical and pharmacy benefits than FFS.

Nearly one-third of the Medicare population have chosen to enroll in the program and 91% of seniors in MA are satisfied with their MA coverage. We urge CMS to protect the MA program so that America's senior employees and retirees can continue to receive the highly valued benefits and services that MA plans offer.

Sincerely,

Alaska Chamber
Arizona Chamber of Commerce & Industry
Arkansas State Chamber of Commerce/AIA
Associated Industries of Massachusetts
Associated Oregon Industries
Association of Washington Business
Business Council of Alabama
California Chamber of Commerce
Chamber of Commerce of Hawaii
Connecticut Business & Industry Association
Delaware State Chamber of Commerce
Florida Chamber of Commerce
Georgia Association of Manufacturers
Georgia Chamber of Commerce
Greater North Dakota Chamber
Illinois Chamber of Commerce
Indiana Chamber of Commerce
Indiana Manufacturers Association, Inc.
Kentucky Chamber of Commerce
Las Vegas Metro Chamber of Commerce
Louisiana Association of Business & Industry
Maine State Chamber of Commerce
Michigan Chamber of Commerce
Missouri Chamber of Commerce & Industry
Montana Chamber of Commerce
National Association of Manufacturers
Nevada Manufacturers Association
New Jersey Business and Industry Association
New Jersey State Chamber of Commerce
New Mexico Business Coalition
North Carolina Chamber
Ohio Chamber of Commerce
Pennsylvania Chamber of Business and Industry
Pennsylvania Manufacturers' Association
Salt Lake Chamber of Commerce
South Carolina Chamber of Commerce
State Chamber of Oklahoma
Texas Association of Business & Industry
The Business and Industry Association of New Hampshire
The Business Council of New York State, Inc.
The Chamber of Reno, Sparks, and Northern Nevada
U.S. Chamber of Commerce
Virginia Chamber of Commerce

West Virginia Chamber of Commerce