June 16, 2015

The Honorable Vern Buchanan  The Honorable Charlie Rangel
United States House of Representatives United States House of Representatives
Washington, DC 20515  Washington, DC 20515

Dear Representative Buchanan and Representative Rangel:

I write to express support for the improvements made to Medicare Advantage’s risk adjustment system, included in HR 2582, the Senior’s Health Care Protection Act of 2015 as amended.

The National Coalition on Health Care (NCHC) is a coalition of health care stakeholder organizations committed to promoting an affordable, high-quality health system in the United States. As the nation’s oldest and most diverse group working to achieve comprehensive health reform, we represent more than 100 member organizations, including health care providers, purchases, payers, and consumers. Collectively, our organizations represent employees, members, or congregants that amass to more than 100 million Americans.

The Medicare Advantage (MA) program has the potential to help advance transformative reforms to health care payment and delivery – particularly for the chronically ill. Realizing MA’s potential for transformation, however, demands the proper policy environment.

Under today’s MA risk adjustment system, plans that take on the challenge of caring for chronically ill beneficiaries are actually punished financially, relative to their competitors. HR 2582 takes important steps to address this problem by

- revising the MA risk adjustment system to account for additional per-beneficiary costs associated with multiple chronic conditions and
- instructing CMS to evaluate other options to improve risk adjustment.
Additionally, because Program for All-inclusive Care for the Elderly (PACE) and the Financial Alignment Demonstration Medicare-Medicaid Plans (MMPs) rely on the same risk adjustment system as MA, HR 2582’s reforms can make Medicare better for the vulnerable beneficiaries enrolled in these programs as well.

We look forward to working with you further as this bill advances through the legislative process. If you have any additional questions about these issues, please contact NCHC’s Policy Director Larry McNeely at lmcneely@nchc.org or 202-638-7151.

Sincerely,

John Rother
President and CEO