BETTER MEDICARE ALLIANCE

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November 13, 2018

U.S. Senator Steve Daines
320 Hart Senate Office Building
Washington, D.C. 20510

U.S. Senator Angus King
133 Hart Building
Washington, D.C. 20510

Dear Senator Daines and Senator King:

As organizations representing and providing care for Medicare beneficiaries, we strongly support your bipartisan legislation, **S. 3497, the Medicare Advantage Quality Payment Relief Act**, that will require the Centers of Medicare and Medicaid Services (CMS) to disregard the application of certain percentage quality increases when calculating the maximum payment that may be made to a Medicare Advantage organization.

Medicare Advantage is an important source of health coverage for more than 20 million seniors and individuals with disabilities. The incentives for driving integrated and coordinated high-quality care for beneficiaries are one of the distinguishing hallmarks of Medicare Advantage compared to Traditional Fee-for-Service (FFS) Medicare.

Nationwide, one in three Medicare beneficiaries actively choose Medicare Advantage for health coverage — including 48% of Hispanic and 38% of African-American Medicare beneficiaries — because of its simplicity, affordability, enhanced benefits and innovative, high-value, high-quality care. New research by Avalere, sponsored by Better Medicare Alliance, found that chronically ill beneficiaries in Medicare Advantage experience better quality outcomes at comparable or lower costs than those enrolled in FFS Medicare, despite having more clinical and social risk factors.

The benchmark cap inequitably penalizes nearly 5.8 million Medicare Advantage enrollees by denying them access to enhanced benefits available to other beneficiaries in high quality Medicare Advantage plans, simply because of geography.

The modern financing framework in Medicare Advantage includes a quality measurement and rating system that ensures public accountability, incentivizes quality and rewards beneficiaries in quality plans. Quality Bonus Payments in Medicare Advantage (QBPs) must be used to benefit enrollees and are typically used for supplemental benefits that include reducing cost sharing or enhancing health benefits or services, such as dental, vision or hearing coverage, disease management and wellness programs, as well as innovations like telemedicine. However, due to a flaw in the way the highest quality 4- and 5-Star Medicare Advantage plans qualify for QBPs, beneficiaries in certain benchmark capped counties across the country are unable to access these enhanced health benefits and reduced cost-sharing.

We greatly appreciate your working towards a solution to Medicare Advantage's benchmark cap issue and we look forward to serving as a resource to you and your colleagues to help fulfill Medicare Advantage's promise of quality care to millions of enrollees.

Sincerely,

American Medical Group Association

Association for Behavioral health and Wellness

Better Medicare Alliance

Consumer Action

Healthcare Leadership Council

Meals on Wheels America

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