April 24, 2017

The Honorable Seema Verma, MPH
Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Sent via electronic transmission to: PartCDcomments@cms.hhs.gov

Dear Administrator Verma:

Thank you for the opportunity to submit transformative ideas to increase benefit flexibility, innovation, and affordable plan choices for Medicare beneficiaries. The Healthcare Leadership Council (HLC) applauds your leadership on these important issues.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century health system that makes affordable, high quality care accessible to all Americans. Members of HLC—hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, biotech firms, health product distributors, pharmacies, post-acute care providers, and information technology companies—advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

Medicare Advantage (MA) currently serves over 18 million beneficiaries (31% of the Medicare population) and this population continues to grow. MA plans appeal to new beneficiaries because MA often resembles their previous employer-sponsored health insurance that provided catastrophic coverage and care coordination. MA plans give beneficiaries choice, accessibility, and affordability. In addition, MA provides benefits that enable early intervention, care coordination, and disease management tools, particularly for beneficiaries with multiple chronic conditions.

Medicare Part D's ability to keep drug costs low has expanded access to medications and increased adherence to treatments. This program also provides beneficiaries with choice, because each year they can choose from many plans and find the coverage that works best for them. As a result, HLC's *Medicare Today* coalition's *2016 Senior Satisfaction Survey* found that nearly 9 out of 10

seniors are satisfied with their Part D coverage and 8 out of 10 think their plan is a good value.[1]

HLC urges the Centers for Medicare and Medicaid Services (CMS) to continue to support seniors by implementing the following transformative ideas for the MA and Part D programs.

Star Ratings

HLC believes that the Star Ratings play an important role in improving standards of care in MA and Part D. We urge CMS to develop a strategic plan that includes defined goals for the Star Ratings and creates a framework for the inclusion and retirement of measures. CMS should ensure that the Star Ratings are simplified, accurately reflect plan performance, and place the most emphasis on measures plans can influence and that improve beneficiaries' health. CMS should also focus on data-driven measures with objective clinical relevance, rather than survey-based measures.

Proposed changes to the Star Ratings should use annual formal notice and comment rulemaking. CMS should also apply all modifications on a prospective basis and finalize measures and their methodology prior to the start of the measurement period in order to give stakeholders adequate notice. In addition, CMS should reinstate the four Star thresholds for selected measures for transparency, as well as quality programs.

It is also critical that the Star Ratings take into account the social determinants of health of Medicare beneficiaries. As recommended by the National Academies of Sciences, Engineering, and Medicine (NASEM), HLC believes that social risk factors should be adjusted for in Medicare. The academies identified four approaches that could be used to account for these social risk factors, including stratified public reporting by risk factors to identify which providers are serving these patients, adjustment of performance measures to standardize estimates of quality, adjustment of payments to providers, and the restructuring of payment incentives to reward improvement in quality or achievement of high-value care.[2] HLC agrees with NASEM that a combination of these methods, including changes to both public reporting and payment, would best account for the social determinants of health of Medicare beneficiaries. MA plans should also be allowed to offer a wide array of supplemental services to help address the social determinants of health, including non-medical social services such as transportation to medical appointments and access to healthy foods. CMS should encourage the use of Community Health Workers (CHWs) who can link beneficiaries to these types of services.

[1] Medicare Today, *Senior Satisfaction Survey,* http://medicaretoday.org/resources/senior-satisfaction-survey/.
[2] National Academies of Sciences, Engineering, and Medicine, Accounting for Social Risk Factors in Medicare Payment (Washington, DC: National Academies Press, 2017).

However, it is also important for CMS to closely monitor the effect of any adjustment to the Star Ratings for potential unintended consequences. These could include a declining quality of care for low income/dually eligible and disabled enrollees, or the potential risk of disincentivizing plans from enrolling these populations.

Special Needs Plans (SNPs)

HLC supports the permanent reauthorization of the SNPs because they serve an important role for beneficiaries who are high-risk. HLC also recommends that CMS support a Community-Based Institutional Special Needs Plan (CBI-SNP) demonstration program to provide low-income, medically complex Medicare beneficiaries with home and community based services (HCBS) tailored to individual needs. This program would allow beneficiaries to remain in their homes and would postpone or eliminate their need to enter a long-term care institution, spend down their assets, and become eligible for Medicaid. This would reduce costs for both beneficiaries and the Medicaid program.

Pilot Program for Medicare's Sickest and Highest Cost Beneficiaries

HLC believes that CMS should test a new value-based payment and coordinated care delivery model for Medicare's sickest and highest cost beneficiaries. This model would improve quality and provide additional benefits for beneficiaries at a lower cost than fee-for-service (FFS).

Risk Adjustment

HLC asks CMS to increase transparency around the risk adjustment updates in MA, and move to a more clinically accurate model that supports care provided to all beneficiaries, including the chronically ill. CMS should refine the risk adjustment methodology by adding codes that recognize diseases such as dementia and chronic kidney disease. The recently enacted 21st Century Cures Act allowed end-stage renal disease (ESRD) patients to join a MA plan. CMS should make sure that payments are accurate for these beneficiaries by refining the risk adjustment criteria.

Benchmarks

HLC urges CMS to adopt the recommendations of the Medicare Payment Advisory Commission (MedPAC) to calculate MA benchmarks based on beneficiaries enrolled in both Parts A and B. Since MA plans have to provide both A and B services, the benchmarks should be based on those services.

Telemedicine Services

Telemedicine improves healthcare quality and lowers costs, and also helps to address workforce shortages. These services should be available to all Medicare beneficiaries, regardless of where they live. HLC urges CMS to eliminate the originating site restrictions for telemedicine services so that MA plans have more flexibility in providing services to members in both urban and rural areas.

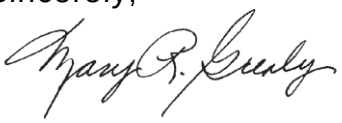
Currently, MA plans must use their rebate dollars to pay for telemedicine as a supplemental benefit for their members.

Value-Based Payment

HLC asks CMS to reform payment regulations that CMS established for use in FFS plans, but that inhibit value-based care. Regulations such as the Inpatient Rehabilitation Facility 60 percent rule and the home health homebound rule hinder providers' ability to identify and place patients in the most clinically appropriate setting. Lifting these restrictions will allow providers to test new value-based approaches to care coordination.

Thank you again for the opportunity to provide transformative ideas for the Medicare program. HLC looks forward to continuing to work with you to ensure that Medicare beneficiaries are able to receive high quality, affordable care. Should you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435.

Sincerely,



Mary R. Grealy
President