American Hospital Association

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The Honorable Paul Ryan
Chairman
U.S. House of Representatives
Committee on Ways and Means
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
U.S. House of Representatives
Committee on Ways and Means
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Ryan and Ranking Member Levin:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, including our members that own and operate Medicare Advantage (MA) plans, the American Hospital Association (AHA) writes to express our support for several MA bills that the House Ways & Means Committee plans to mark up on Tuesday. These bills would help sustain the viability and integrity of the MA program, on which approximately 30 percent of Medicare beneficiaries rely.

Specifically, the committee will be asked to adopt:

- *The Medicare Advantage Coverage Transparency Act of 2015 (H.R.2505)*, which requires annual reporting of enrollment data in MA plans;

- *The Seniors' Health Care Plan Protection Act of 2015 (H.R. 2506)*, which delays the Centers for Medicare & Medicaid Services' (CMS) authority to terminate MA plans on the basis of low quality star ratings until the end of plan year 2018, allowing time for CMS to resolve issues related to socioeconomic status;

- *The Increasing Regulatory Fairness Act of 2015 (H.R. 2507)*, which expands the annual notice and comment period for CMS's MA rate notice to at least 60 days from the current 45 days;

- *The Securing Care for Seniors Act of 2015 (H.R. 2579)*, which requires CMS to revise the MA risk adjustment model in 2017 to account the number of chronic conditions with which an individual has been diagnosed and to evaluate several other factors for future adjustments; and

- *The Preservation of Access for Seniors in Medicare Advantage Act of 2015 (H.R. 2581),* which generally would allow for open enrollment and dis-enrollment from MA plans during the first three months of a year and establishes a demonstration for value-based benefit design (VBID).

Taken together, these bills would, improve the risk adjustment methodology, provide a more reasonable timeframe for MA plans to evaluate and respond to CMS's proposed rate actions, encourage MA beneficiaries to access high-value prescriptions and medical services, and allow beneficiaries greater opportunity to enroll and dis-enroll from MA plans (including Part D).

We strongly support the sections of H.R. 2506 and H.R. 2579 that contain language recognizing the impact of socioeconomic factors on quality performance and suggesting that adjustments should be incorporated into the MA star rating system. A growing body of evidence demonstrates that performance on many quality measures is influenced not only by the actions of health plans and providers, but also by a range of socioeconomic factors beyond their control, such as poverty and access to resources in the community that support health. Failing to account for these factors in comparing quality performance can lead to some plans and providers scoring more poorly on measures than others simply because they care for larger proportions of disadvantaged patients.

If you have any questions, please contact Jeff Goldman, vice president coverage policy, at jgoldman@aha.org or 202-626-4639.

Sincerely,

Rick Pollack
Executive Vice President