

United States Senate

WASHINGTON, DC 20510

November 2, 2017

Ms. Seema Verma
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma:

We are writing to urge you to reject funding concepts recently unveiled in a Request for Information (RFI) on the future direction of the Center for Medicare & Medicaid Innovation (Innovation Center) that would lead to seniors and individuals with disabilities on Medicare being forced to pay more for their health care services. Instead, we urge the Innovation Center to continue to prioritize the testing and evaluation of patient-centered, value-based payment and delivery system innovations.

Most seniors and people with disabilities live on low and fixed incomes. More than half of people with Medicare live on only \$26,200 per year or less and one in four live on only \$15,250 or less. Older adults spend upwards of \$5,000 per year on out of pocket health care costs, including deductibles, premiums, and copayments. To add to that burden, women and those aged 85-years and up have disproportionately higher out of pocket costs than other older adults. The rising cost of care continues to burden the already limited financial resources available to older and disabled Americans.

CMS appears to be seeking input on a model that draws from past legislative proposals and talking points to radically restructure Medicare through a premium support or voucher program. Independent analyses, including by the Congressional Budget Office, consistently demonstrate that Medicare vouchers would significantly increase costs for seniors and people with disabilities, as well as future generations of Medicare beneficiaries. Under past premium support proposals, almost six in 10 people with Medicare would pay higher premiums for the very same coverage. And over time, any payment individuals receive would be unlikely to keep pace with health care costs. Moreover, through a voucher program, traditional Medicare would wither away. Over time, younger, healthier people with Medicare would likely opt for private plans, leaving older, sicker people in traditional Medicare and causing costs to go up substantially. Of the 57 million people enrolled in Medicare, two-thirds are in traditional Medicare, and the majority of Americans (70 percent) prefer Medicare's guaranteed benefits to vouchers.

In addition, CMS seeks input on “private contracting,” a practice in which seniors and people with disabilities with Medicare would be required to negotiate their out-of-pocket health care costs directly with their doctors. More than 30 years ago, in response to growing concerns that beneficiaries charged over and above standard cost-sharing amounts were going without critical care, Congress rightly implemented protections to ensure that Medicare providers fairly and equally bill people with Medicare. One study found that medical spending declined by nine percent in Medicare households as a result of these protections.

Testing a concept that would force patients to negotiate prices with their doctors undermines this progress and undercuts core beneficiary protections. Seniors and people with disabilities, especially those beneficiaries in the throes of a devastating illness, the 66 percent struggling to manage multiple chronic conditions, and the one third living with a cognitive or mental impairment should not be expected to engage in such negotiations. People with Medicare should have the security of knowing what their costs will be and that their health care providers are treating patients equally and fairly.

Finally, we are troubled by the disregard of normal processes for posting RFIs. The RFI is posted on the CMMI website, but not formally included in the Federal Register. This practice creates unnecessary barriers to review and comment submission. Additionally, the RFI also includes a statement that “CMS may publically post the comments received”, allowing CMS to withhold unfavorable comments from public view or decide against responding to certain comments. Again, this is unprecedented and violates long-standing emphasis on government transparency.

The authority granted to the Innovation Center does not allow the agency to systematically unravel the Medicare guarantee or weaken critical beneficiary safeguards established by Congress. We urge you to heed our concerns and abandon any efforts that would increase health care costs and burden for people with Medicare. Additionally, we urge you to post this RFI through the Federal Register and adhere to standard administrative practices. Finally, we request a staff briefing on these and other concepts included in the RFI no later than November 30, 2017.

Sincerely,



Robert P. Casey, Jr.
United States Senator



Sherrod Brown
United States Senator



Bill Nelson
United States Senator



Al Franken
United States Senator



Sheldon Whitehouse
United States Senator



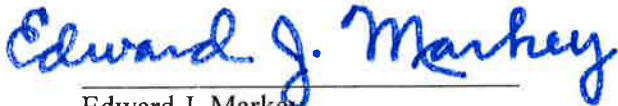
Thomas R. Carper
United States Senator



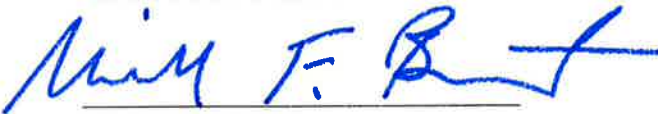
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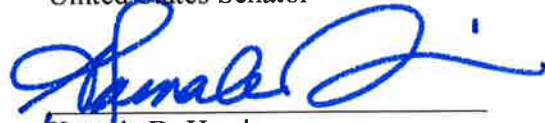
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United States Senator



Jack Reed
United States Senator



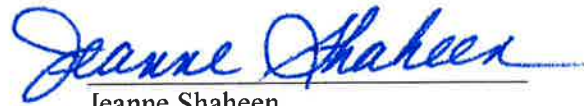
Debbie Stabenow
United States Senator



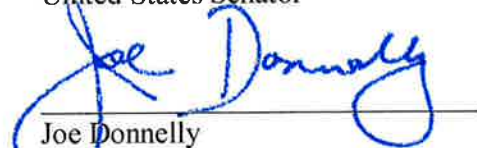
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United States Senator



Joe Donnelly
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Robert Menendez
United States Senator