

November 26, 2019

The Honorable Richard E. Neal  
Chairman  
House Ways & Means Committee  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Kevin Brady  
Ranking Member  
House Ways & Means Committee  
U.S. House of Representatives  
1139 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

Better Medicare Alliance (BMA) is a community of over 140 Ally organizations, along with 400,000 beneficiaries, who value the option of Medicare Advantage. Together, our alliance of health plans, provider groups, aging service organizations, and beneficiaries share a commitment to ensuring Medicare Advantage remains a high-quality, cost-effective option for current and future beneficiaries. BMA appreciates the opportunity to submit comment to the Committee on Ways & Means Chairman Richard E. Neal, Ranking Member Kevin Brady, and Members of the *Rural and Underserved Communities Health Task Force* on the request for information to advance commonsense legislation to improve health care outcomes for underserved communities.

As America's population, including the subset of individuals eligible for Medicare, grows increasingly diverse, so too does the need for policymakers to improve health care outcomes in our underserved communities. **We believe that there are valuable lessons from the evidence and experience in Medicare Advantage that can be used to inform future legislation to enhance access and quality of care for those in rural and underserved communities. We are pleased to offer the insights and specific recommendations for action below.**

In recent years, studies of the beneficiary population in Medicare Advantage have shown:

- Patients with five or more chronic conditions are 70 percent more likely to enroll in Medicare Advantage compared to those with no chronic conditions;<sup>1</sup>
- Minority populations, including Hispanics and African American seniors, are more likely to enroll in Medicare Advantage than in Traditional Fee-for-Service (FFS) Medicare;<sup>2</sup>
- Approximately 28 percent of Medicare Advantage beneficiaries reflect communities of color compared to only 21 percent in FFS Medicare;<sup>3</sup>
- Medicare Advantage beneficiaries, of whom almost half live on less than \$24,000 annually, report \$1,276 *less* in total spending than beneficiaries in FFS Medicare, due to cost protections such as out-of-pocket limits;<sup>4</sup> and,

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<sup>1</sup> Analysis, "Beneficiaries with Chronic Conditions More Likely to Actively Choose Medicare Advantage," Kenneth E. Thorpe, Ph.D., Emory University. September 2018. [Web](#).

<sup>2</sup> Ibid.

<sup>3</sup> Analysis, "Medicare Advantage Provides Key Financial Protections to Low- and Modest-Income Populations," Anne Tumlinson Innovations. July 2019. [Web](#).

<sup>4</sup> Ibid.

- Beneficiaries in Medicare Advantage are 64 percent more likely to enroll in Medicare due to disability, have a 57 percent higher rate of serious mental illness, and are 21 percent more likely to be dual-eligible for Medicaid than Traditional FFS Medicare.<sup>5</sup>

Taken together, these figures point to an increasingly diverse, chronically complex, and cost-conscious Medicare Advantage population that depends on the integration of Medicare Advantage and Part D coverage, flexibility in care delivery, availability of supplemental benefits, and affordability of low- to no-cost premium plan options.

Importantly, the evidence for how Medicare Advantage is improving outcomes for millions of beneficiaries speaks for itself. A claims-based comparison on outcomes between Medicare Advantage and FFS Medicare beneficiaries with chronic conditions shows that, despite having a higher proportion of beneficiaries with other clinical and social risk factors, Medicare Advantage beneficiaries achieved<sup>6</sup>:

- 23 percent fewer inpatient hospital stays;
- 33 percent fewer emergency room visits;
- 29 percent lower rate of potentially avoidable hospitalizations
- 13 percent higher rate of low-density lipoprotein cholesterol testing; and
- 5 percent higher rate of breast cancer screening.

In the same study, results showed that for two high-need cohorts of the study population – those with diabetes and those dually eligible for Medicare and Medicaid – Medicare Advantage achieved significantly better health outcomes and overall lower costs than Traditional FFS Medicare.

The lessons learned from this research is indisputable. When a delivery system has the right financial framework, flexibility, and appropriate consumer protections in place, high-quality care can be provided that meets patient needs clinically, socially, and financially, at the same cost as Traditional FFS Medicare. Medicare Advantage is the incubator that has proven this time and again, and in particular for those underserved and vulnerable populations with multiple chronic conditions.

As Medicare Advantage is evolving, we appreciate the progress Congress has made to address the impact of social determinants of health in Medicare Advantage for vulnerable and underserved populations through the passage of the Bipartisan Budget Act (BBA) of 2018 which included provisions of the CHRONIC Care Act. One provision established a new category of supplemental benefits, called Special Supplemental Benefits for the Chronically Ill. In 2020, Medicare Advantage plans will be able to offer supplemental benefits specifically for individuals with a defined chronic condition. These benefits do not need to be primarily health-related and may be used to directly address non-medical needs.

As Congress seeks to continue to strengthen the ability for Medicare Advantage to address social determinants of health and improve health care outcomes within underserved communities, BMA recommends the following actions:

- Encourage CMS to use the new authority provided by the BBA to expand the definition of allowable supplemental benefits to directly address social determinants of health;
- Instruct CMS to expand Medicare Advantage Value-Based Insurance Design to Part D for integrated Medicare Advantage-Part D;

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<sup>5</sup> “State of Medicare Advantage” Report, Better Medicare Alliance. Spring 2019. [Web](#).

<sup>6</sup> Analysis, “Medicare Advantage Achieves Cost-Effective Care and Better Outcomes for Beneficiaries with Chronic Conditions Relative to Fee-for-Service Medicare,” Avalere Health. July 2019. [Web](#).

- Encourage CMS to continue to monitor whether adjustments are needed to the Star Rating System to accurately incorporate needs based on social determinants of health without reducing quality standards;
- Ensure CMS continues to evaluate and potentially include additional conditions or social determinants of health in the risk adjustment model;
- Promote the Medicare Diabetes Prevention Program and grant CMS the authority to permit virtual delivery to improve access;
- Consider modifications to network adequacy requirements including use of telehealth as a supplement to in-person care, to expand access to Medicare Advantage for beneficiaries in underserved communities, in particular in rural areas;
- Instruct CMS to remove barriers to telehealth access in Medicare Advantage; and
- Expand medical and clinical professional education opportunities across specialties for racial and ethnic minorities.

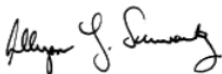
Recently, BMA has released resources that may be helpful as you review potential legislative solutions to improve health care outcomes in underserved communities, which we believe Medicare Advantage greatly informs. Please see a selection of these resources below and attached, which further detail these recommendations:

- Addressing Social Determinants of Health for Beneficiaries in Medicare Advantage, [White Paper](#);
- Telehealth in Medicare Advantage: Policy Issues and Recommendations, [White Paper](#);
- Medicare Diabetes Prevention Program, [Fact Sheet](#);
- New Flexibilities and Expansions in Supplemental Benefits, [Fact Sheet](#); and
- Review of Contract Year 2020 Medicare Advantage Supplemental Healthcare Benefit Offerings, [Report](#) from Milliman commissioned by BMA.

In addition, earlier this year, BMA convened a meeting of national experts and health care stakeholders to discuss issues related to racial, ethnic, and gender disparities in health care. At the convening more than 30 experts – representing health plans, providers, consumers, academic researchers and patient advocates – participated in a facilitated, high-level discussion of the opportunities and challenges in addressing health disparities, with a particular focus on Medicare Advantage. BMA will forward the convening report to your staff once it is available to the public later next month.

Thank you again for the opportunity to submit comments on this important subject and outline the progress Medicare Advantage has made to improve outcomes for beneficiaries living in underserved communities. Should you have any questions or need additional information, please do not hesitate to contact our Director of Government Affairs, Lisa Hunter, at [lhunter@bettermedicarealliance.org](mailto:lhunter@bettermedicarealliance.org) or (202) 735-3157. We appreciate being able to offer resources and offer recommendations to strengthen these efforts that are enhancing the health and well-being of millions of older adults and people with disabilities who rely on Medicare.

Sincerely,



Allyson Y. Schwartz  
President & CEO  
Better Medicare Alliance