September 1, 2015

Sean Cavanaugh, Deputy Administrator
Centers for Medicare and Medicaid Services
Director, Center for Medicare
United States Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Mr. Cavanaugh:

As you know, dual-eligible beneficiaries include the frail elderly, those with multiple chronic conditions, individuals with Alzheimer's disease or dementia, persons with a physical disability, persons with a developmental disability, individuals with a mental health condition, and individuals with a substance abuse condition. Many of these individuals have multiple medical, behavioral, and long-term care needs and need services from an array of specialized providers across the Medicare and Medicaid delivery systems. Dual-eligible beneficiaries are also low-income and their health and access to care can be complicated by socio-economic challenges. We, the undersigned, are proud to be organizations committed to the protection of these important populations.

Improving the delivery of Medicare and Medicaid services to beneficiaries – particularly those whose health is most challenged by frailty, cognitive impairment, disability, behavioral health conditions, and poverty – should always be CMS' main goal. The Medicare Advantage Dual-Eligible Special Needs Plans (D-SNPs) and the Medicare-Medicaid Plans operating in the Dual Eligible Demonstration projects (MMPs) are vehicles to improve these individual's care and states and CMS are working hard to establish and improve these programs. D-SNPs and MMPs continue to evolve, and long-term sustainability is necessary for further improvement. We are concerned, however, that there are significant structural problems embedded in the way that D-SNPs and MMPs are reimbursed for these populations, which significantly undermines the scope and quality of care delivered. We should not allow individuals who enroll in these programs to be exposed to such problems when reasonable solutions are so easily available.

One way to ensure the long-term sustainability of D-SNPs and MMPs is to improve the reimbursement system for these programs. Currently, the risk-adjustment system used for D-SNPs and MMPs underpredicts the cost of individuals that are eligible for full Medicaid benefits (e.g., full-benefit dual-eligible beneficiaries) – those about whose welfare we are most deeply concerned. Continued underpayments threatens the viability

of D-SNPs and MMPs that exclusively enroll individuals eligible for full Medicaid benefits.

In the final 2016 call letter, CMS acknowledged that the risk-adjustment system for individuals dually eligible for Medicare and Medicaid is inaccurate, and stated that the agency is assessing improvements to the risk-adjustment system for dual-eligible beneficiaries. We strongly support CMS' efforts to improve the risk-adjustment system for individuals dually eligible for Medicare and Medicaid, as we believe that an improved risk-adjustment system will help D-SNPs and MMPs become more sustainable.

To that end, we ask that the Secretary improve the Medicare risk-adjustment system for the 2016 MMP plan year and for the 2017 D-SNP plan year. Improvements should include revising or adding demographic or condition categories so that the risk-adjustment system truly predicts the costs of dual-eligible beneficiaries' care, and the care of all Medicare beneficiaries whom are chronically ill, disabled, or have a behavioral health condition.

As organizations representing those populations that have the most to lose from the inappropriate or inadequate delivery of health care, we cannot emphasize enough the importance of ensuring that the health plans dedicated to serving these populations have enough resources to provide needed care to their beneficiaries. Adequate and appropriate reimbursement is necessary so that individuals dually eligible for Medicare and Medicaid who choose to enroll in D-SNPs or MMPs can count on strong and stable programs to coordinate and integrate their care. We believe that these proposed changes will significantly improve these programs and we urge CMS to act to protect these important and high-need populations.

Sincerely,

Association for Community Affiliated Plans

American Association of Kidney Patients

Association for Clinicians for the Underserved

The Jewish Federations of North America