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FOR MORE INFORMATION:

Jeff Van Ness, (202) 204-7515

STATEMENT OF ACAP CEO MARGARET A. MURRAY ON THE 2017 MEDICARE ADVANTAGE ADVANCE NOTICE AND DRAFT CALL LETTER

WASHINGTON—ACAP CEO Margaret A. Murray today made the following statement about the *Advance Notice of Methodological Changes for Calendar Year 2017 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2017 Call Letter* ("Advance Notice") recently issued by the Centers for Medicare & Medicaid Services (CMS):

"We're delighted with the fixes that CMS has proposed to the risk-adjustment system for full-benefit dual eligibles, or people who qualify for all Medicaid benefits owing to low incomes and poor health status.

"Full-benefit dual eligibles are the poorest, sickest, and among the most vulnerable Medicare beneficiaries; this past fall, CMS <u>acknowledged</u> that its Medicare Advantage risk-adjustment system underpredicts these individuals' Medicare costs. As a result, CMS was paying private health plans less than these individuals' cost of care. We're glad to see this inequity squarely addressed in the Advance Notice.

"Safety Net Health Plans are proud to serve full-benefit dual eligibles and to offer these individuals better coordinated care, access to care, and quality of care, than these individuals can receive in traditional Medicare. With this change, CMS would dramatically improve the accuracy of payments to plans that take on the challenge of integrating care for these individuals and would make for fairer, more predictable business conditions for all plans in Medicare Advantage.

"Accordingly, Safety Net Health Plans applaud CMS for its efforts to improve the equity and the sustainability of the Medicare Special Needs Plans so that they can continue to serve our must vulnerable citizens. We look forward to giving the Advance Notice a thorough, careful reading and will submit a full set of formal comments in due time."

About ACAP

ACAP represents 57 not-for-profit Safety Net Health Plans, which provide health coverage to more than fifteen million people in 26 states. Safety Net Health Plans serve their members through Medicaid, Medicare, the Children's Health Insurance Program (CHIP), the Marketplace and other health programs. For more information, visit <u>www.communityplans.net</u>.

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