

January 15, 2016

Secretary Burwell  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Secretary Burwell:

On behalf of the undersigned employer groups, we urge the Centers for Medicare and Medicaid to implement policies that protect the Medicare Advantage (MA) program and ensure the stability of retiree health benefits for millions under MA Employer Group Waiver Plans (MA-EGWPs) during the upcoming MA 2017 rate setting process.

Approximately three million retirees receive health insurance coverage through an employer in the form of MA-EGWPs, comprising approximately 18% of total MA enrollment.<sup>1</sup> MA-EGWPs allow employers to provide comprehensive coverage with out-of-pocket cost protections and prescription drug benefits through Part D often at no additional cost to America's seniors. Additionally, research has demonstrated retirees receive more clinically appropriate care resulting in a lower incidence of preventable emergency services, fewer hip and knee replacements, and 13% - 20% lower preventable readmission rates.<sup>2,3</sup> MA-EGWPs continue to increase in popularity with the optimal mix of affordability and quality plan design.

Research also shows that employers consistently favor these plans because they offer care coordination and disease management programs not available in traditional retiree coverage, and rate high in terms of retiree satisfaction.<sup>4</sup> As a result, enrollment in MA-EGWPs continues to grow-- nearly tripling since 2006 and growing by 700,000 enrollees since 2010.<sup>5</sup>

Despite the high quality benefits that MA-EGWPs offer seniors, the Administration continues to threaten an employer's ability to adequately cover retired employees. The President's FY 2016 budget proposed \$43.4 billion in MA-related cuts over the next decade, with nearly \$7.2 billion in cuts solely impacting MA-EGWPs.<sup>6</sup> Cuts to the program will inhibit employers' ability to build long-term strategies for effective and stable retiree coverage.<sup>7</sup>

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<sup>1</sup> CMS Data.

<sup>2</sup> *Health Affairs*, December 2012.

<sup>3</sup> *American Journal of Managed Care*, February 2012.

<sup>4</sup> Avalere, March 2014.

<sup>5</sup> Avalere, March 2014.

<sup>6</sup> FY 2016 Budget.

<sup>7</sup> KFF Study, April 2014.

CMS has the authority to help employers all over the country provide high quality, innovative, and coordinated care to their valued retirees. Respectfully, we ask that you ensure stability to the MA program and protect America's retirees.

Sincerely,

American Benefits Council  
Corporate Health Care Council  
Council for Affordable Health Coverage  
The ERISA Industry Committee  
Healthcare Leadership Council  
HR Policy Association  
National Association of Manufacturers  
National Association of Wholesaler-Distributors  
National Business Group on Health  
National Retail Federation  
Pacific Business Group on Health  
U.S. Chamber of Commerce