



AMERICAN BENEFITS
COUNCIL

February 3, 2014

Marilynn Tavenner, Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Tavenner:

I write on behalf of the American Benefits Council (“Council”) to share our concerns with respect to possible additional rate cuts for Medicare Advantage plans in 2015. Many of our member companies rely on Medicare Advantage plans to provide high quality, affordable retiree health benefits to their retirees. We are particularly concerned that additional rate cuts could result in higher costs and less choice for retirees.

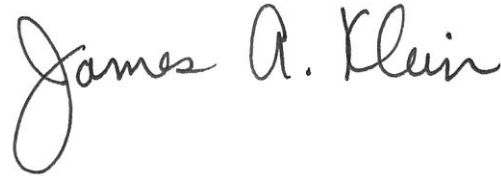
The Council is a public policy organization representing principally Fortune 500 companies and other organizations that assist employers of all sizes in providing employee benefits to workers and retirees. Collectively, the Council’s members either sponsor directly or provide services to retirement and health plans covering more than 100 million Americans.

The Medicare Advantage program currently enrolls over 2.5 million retirees and retiree enrollment has increased by an average of 9% annually since 2008. Group Medicare Advantage plans provide employers with the flexibility to customize plan design to provide comprehensive benefits to allow the seamless transition from active employment to retirement. Retirees value Medicare Advantage plans for expanded choice, lower out-of-pocket costs and coordinated, high quality care.

In 2014, Medicare Advantage rates were reduced by 6.7 percent. We understand that additional significant rate cuts are under consideration for 2015. We are concerned that further rate reductions could detrimentally affect retirees in the form of higher out-of-pocket costs, less coverage and fewer provider options for retirees. To avoid this result, we respectfully request that rates remain flat for 2015.

Thank you for your consideration. We appreciate the opportunity to share our views with you on these important issues.

Sincerely,

A handwritten signature in black ink that reads "James A. Klein". The signature is written in a cursive style with a large, looping initial "J".

James A. Klein
President

cc: Sylvia Mathews Burwell
Director
Office of Management and Budget

Denis McDonough
White House Chief of Staff
Executive Office of the President
The White House