

July 26, 2016

The Honorable Sylvia Mathews Burwell
Secretary of Health and Human Services
Hubert H. Humphrey Building
Washington, DC 20201
[Via email](#)

Dear Madam Secretary:

The undersigned organizations request the opportunity for health plan CEOs and leaders of aligned organizations to meet with you to request Administration action to correct a significant problem in Medicare Advantage (MA) payment.

Millions of seniors are losing out on additional MA benefits or reduced cost-sharing due to a glitch in the implementation of the so-called benchmark cap. The attached material explains the issue, but briefly: In the ACA, Congress authorized quality incentive payments for MA plans receiving 4 or more stars in the Medicare star ratings. At the same time, Congress created a new methodology for payment to MA plans with a cap on the benchmarks. As it has been implemented, the cap has reduced or, in many places, entirely eliminated the quality payments. The result: a 5-star plan may be paid the same as a 3-star plan “down the street,” contrary to all notions of paying for value.

Senior leaders in both CMS and OMB agree that the cap has undermined your goal of paying for quality. Members of Congress recognize the problem as well. Happily there is a solution: we believe the statute provides you with discretionary authority to solve the problem, remain consistent with the plain language of the law and achieve the quality goals of both Congress and the Administration. (We have shared with your staff a detailed legal brief and impact analysis of the current implementation.) Addressing this issue would significantly enhance the Administration’s legacy in promoting value-based payment and high quality.

Time is of the essence to address this problem for 2018 – the next year for which payment decisions can be made. Given the substantial, continuing impact of the benchmark cap on beneficiaries, we hope that you can meet with us soon to discuss a resolution of the issue.

Thank you very much.

Sincerely,

Alliance of Community Health Plans (ACHP)
America’s Health Insurance Plans (AHIP)
American Hospital Association (AHA)
Blue Cross Blue Shield Association
CAPG
National Coalition on Health Care
National Committee for Quality Assurance (NCQA)
SNP Alliance