

Congress of the United States
Washington, DC 20515

March 11, 2016

The Honorable Sylvia Mathews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Sean Cavanaugh
Deputy Administrator
Center for Medicare
Centers for Medicare & Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Burwell, Acting Administrator Slavitt and Deputy Administrator Cavanaugh:

On March 17, 2015 and April 30, 2015, Members of Congress—including a number of the undersigned—wrote to you regarding CMS’s proposed payment policies for Medicare Advantage plans for 2016. Specifically, we respectfully urged you to ensure that CMS was fairly compensating MA plans in Puerto Rico, who provide health insurance for 570,000 elderly and disabled individuals on the island. Ultimately, we were disappointed that CMS did not take meaningful steps to address this situation and that, as a result, monthly per-member payments to MA plans in Puerto Rico—which are already far lower than monthly per-member payments to MA plans in any state—were further reduced. Because MA is a pillar of the health care system in Puerto Rico, these payment reductions reverberated throughout the island, harming patients, physicians and hospitals.

We write to you now under different circumstances. The proposed payment policies for MA plans for 2017, released on February 19, are a significant step in the right direction, reflecting CMS’s recognition that concrete action can—and must—be taken at the administrative level to ensure the strength and stability of the MA system in Puerto Rico. Just as we previously expressed our disappointment when CMS declined to act, we now express our gratitude that CMS has resolved to act.

It is imperative that the 2017 Final Rate Announcement and Call Letter, to be published on April 4th, embody all of the various commitments made in the 2017 Advance Notice and Draft Call Letter. Specifically, we hope appropriate upward adjustments will be made to the payment rates for MA plans in Puerto Rico:

- To account for the fact that there are an abnormally high number of fee-for-service Medicare beneficiaries in Puerto Rico who have made no claims.
- To address the fact that the Medicare Part D low-income subsidy has not been extended to Puerto Rico, which makes it harder for MA plans on the island to achieve success on the Star Ratings system.
- To account for the fact that, in December 2015, Congress provided state-like treatment for Puerto Rico hospitals under the Medicare Part A IPPS formula, thereby increasing the base upon which payments to MA plans are computed.
- To account for an expected increase in Medicare disproportionate share (DSH) payments to Puerto Rico hospitals, starting in 2017, once CMS develops a proxy for the Supplemental Security Income (SSI) portion of the DSH formula, since SSI has not been extended to Puerto Rico. This proposal was referenced in the “HHS Fact Sheet, Working to Solve the Health Care Challenges in Puerto Rico,” dated February 18, 2016.
- To address the lack of identifiable partial dual eligible beneficiaries in Puerto Rico, adversely affected by the island’s Medicaid cap, in the new risk adjustment methodology.

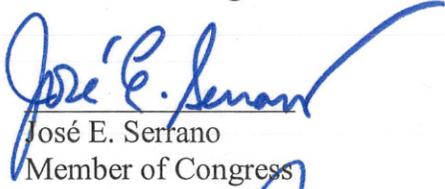
We urge CMS to make all upward adjustments immediately in 2017, rather than to phase them in over multiple years. It is important to bear in mind that, even if with these adjustments, per-member payments to MA plans in Puerto Rico will still be far below per-member payments to MA plans in any state.

We thank you for your continued attention to this critically-important issue.

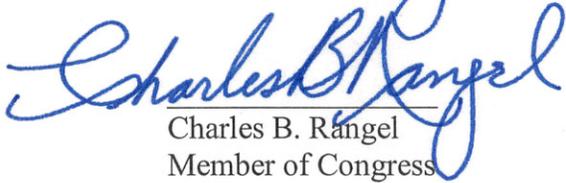
Sincerely,



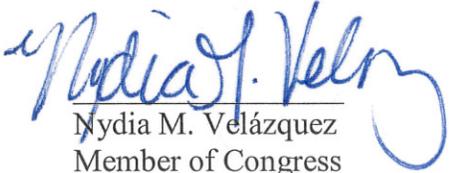
Pedro R. Pierluisi
Member of Congress



José E. Serrano
Member of Congress



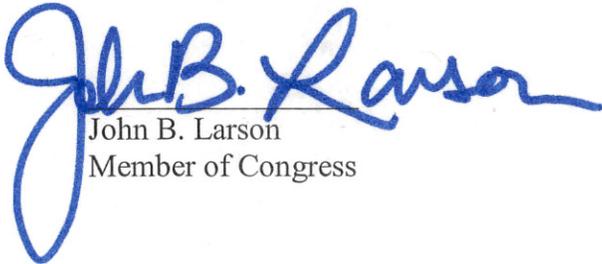
Charles B. Rangel
Member of Congress



Nydia M. Velázquez
Member of Congress



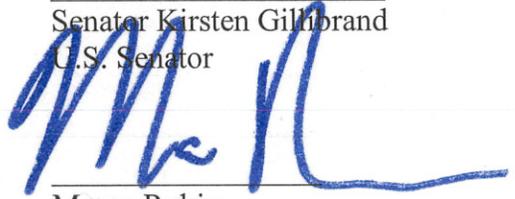
Patrick Murphy
Member of Congress



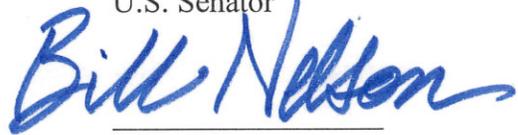
John B. Larson
Member of Congress



Senator Kirsten Gillibrand
U.S. Senator



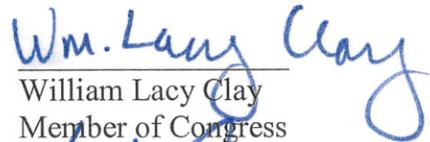
Marco Rubio
U.S. Senator



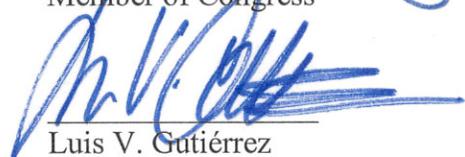
Bill Nelson
U.S. Senator



Charles E. Schumer
U.S. Senator



William Lacy Clay
Member of Congress



Luis V. Gutiérrez
Member of Congress