



**Association for Behavioral
Health and Wellness**

*Advancing benefits and services
in mental health, substance use
and behavior change.*

February 25, 2015

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

Dear Administrator Tavenner:

The Association for Behavioral Health and Wellness (ABHW) would like to express its concern about the recently released preliminary Medicare Advantage payment rates for 2016 that include a new cut to the program.

ABHW is the national voice for companies that manage behavioral health and wellness benefits. ABHW member companies provide specialty services to treat mental health, substance use, and other behaviors that impact health to approximately 150 million people in both the public and private sectors. ABHW and its member companies use their behavioral health expertise to improve health care outcomes for individuals and families across the health care spectrum.


Seventeen million seniors rely on Medicare Advantage for affordable, high-quality care. New cuts – on top of the deep cuts Medicare Advantage has seen since 2010 – will be devastating to seniors. Medicare Advantage has seen a 14% reduction since 2010, including 10% cuts in just the last two years. Seniors are already seeing an impact in the form of reduced benefit values, increased annual out-of-pocket costs, and for some seniors, the loss of Medicare Advantage as an option altogether. ABHW is especially concerned about the impact this cut will have on the two million enrollees in Medicare Advantage Special Needs Plans (SNPs), which include enrollees with chronic alcohol and other drug dependence and chronic and disabling mental health conditions. The proposed cuts present a great risk to patients who need access to behavioral health care.

A recent Milliman Report analyzed the impact Medicare Advantage cuts have had on seniors since 2012 and found that the cuts are having a real, negative impact. Seniors have lost up to \$295 in value from their health plans since 2012, out-of-pocket maximums and annual premiums have increased significantly per beneficiary, and specialist co-pays have increased 21% since 2010 – a 4% increase since 2014. Additionally, the number of counties in the United States that no longer have a Medicare Advantage option has quadrupled, growing from 55 counties in 2012 to 211 counties in 2015. 670,000 seniors have no Medicare Advantage choice in 2015, up from 64,000 in 2010.

SNPs will not be able to sustain the additional Medicare Advantage rate cuts without harming the consistency of the health care for our nation's neediest beneficiaries. The health care needs of SNP beneficiaries tend to be much greater, and SNPs are not given any supplemental funding to cover additional administrative and clinical requirements.

Medicare Advantage is leading the way on the important goal of an integrated health care system that focuses on prevention, chronic disease management, and rewarding value over volume. More cuts to Medicare Advantage would only slow the progress toward those goals. Medicare Advantage has been successful in improving quality and reducing costs for beneficiaries; and in order for that to continue, we hope to see rates remain flat for 2016. Seniors cannot afford another year of Medicare Advantage cuts. If you have any questions, please feel free to contact Rebecca Murow Klein at 202-449-7658 or klein@abhw.org.

Sincerely,

A handwritten signature in cursive script that reads "Pamela Greenberg".

Pamela Greenberg, MPP
President and CEO, ABHW