



**Association for Behavioral
Health and Wellness**

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

February 13, 2014

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:

As you prepare to announce funding changes to Medicare Advantage, the Association for Behavioral Health and Wellness (ABHW) would like to express its concern about the impact of potential cuts and request that you keep rates flat for 2015.

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 125 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.

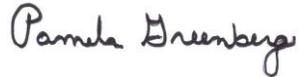
A 6.5% cut to 2015 Medicare Advantage rates, on top of the 6.7% rate cut for 2014, will be devastating to seniors. Medicare Advantage beneficiaries are already beginning to notice severe changes to their health care due to the steep cuts in 2014; additional cuts would put access to this successful program at risk of drastic reduction. Seniors could end up facing an average 13% Medicare Advantage rate cut from 2013. This would amount to increased out-of-pocket costs, reduced benefits, limited provider access, and reduced choices for seniors. ABHW is especially concerned about the impact this cut will have on the 2 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 study showed that the 2014 Medicare Advantage payment model would undercompensate SNPs targeting other special needs individuals relative to Medicare fee-for-service, which includes persons with schizophrenia and seizure disorders by 3.9%, persons with schizophrenia and COPD by 5.7%, persons with schizophrenia and congestive heart failure by 1.9%, and disabled persons with drug and alcohol psychosis by 0.5%. Furthermore, the study showed persons with high-risk scores are undercompensated more than those with low-risk scores. This could include many types of diseases and disabilities, including severe and persistent mental illness, drug and alcohol psychosis, and schizophrenia/COPD.

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 provides long-term value to America's seniors. In addition to covering all benefits offered under fee-for-service Medicare, Medicare Advantage provides resources to health care professionals that allow them to provide seniors with innovative services and better, more personalized coordinated care. 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 2015. 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