



United States Senate

WASHINGTON, DC 20510-0905

April 10, 2018

The Honorable Alex M. Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Azar:

We write to express our disappointment that the Centers for Medicare and Medicaid Service's (CMS) Final Call Letter for Calendar Year 2019 Medicare Advantage and Part D plans did not include sufficient measures to alleviate the payment disparities for Medicare Advantage (MA) and Part D plans operating in Puerto Rico. While we are appreciative of the steps taken to provide an across-the-board payment increase for all MA plans, this increase did not address the underlying inequalities within Puerto Rico's MA program and its unique structure that warrants revised metrics. Moving forward, we encourage CMS to explore additional ways to provide regulatory relief to Americans in Puerto Rico to help stabilize Puerto Rico's fragile health care system, including the Island's robust MA program.

Puerto Rico was in the midst of ongoing economic turmoil when Hurricanes Irma and Maria struck more than six months ago. Unfortunately, the Island continues to struggle with physician shortages, an increasing number of residents relocating to the states, a cash-strapped Medicaid program, and widespread disparities in Medicare. Puerto Rico's recovery will not be easy and will take time, making it more important than ever to address the imbalances in MA for Puerto Ricans.

In Puerto Rico, more than 580,000 seniors and people with disabilities, roughly 75 percent of eligible seniors on Medicare, rely on MA. However, MA reimbursement rates in Puerto Rico are 43 percent below the national average and 26 percent below that of the U.S. Virgin Islands. Differences in MA reimbursement for serving individuals with End Stage Renal Disease impact the ability of providers in the states to care for beneficiaries and highlight the discrepancies in Puerto Rico's Medicare program. As we have suggested before, one way to provide relief would be an adjustment to the average geographic minimum for calculating MA payments. We were disappointed that such an adjustment was not included in the CMS April 2, 2018 announcement.


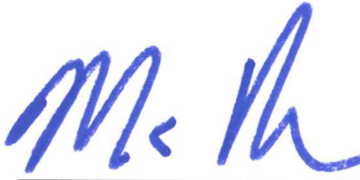
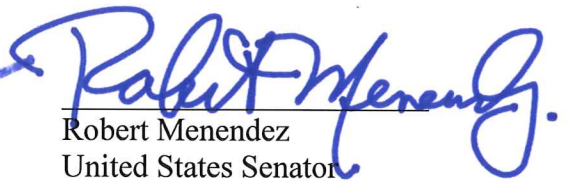
The 2016 report by the Congressional Task Force on Economic Growth in Puerto Rico recommended that CMS consider adjustments to ensure that MA plans, including those in Puerto Rico, are "being fairly and properly compensated for the services they provide to beneficiaries."

We believe CMS should build on these recommendations to ensure the stability of Puerto Rico's MA program.

Medicare Advantage plays a critical role in Puerto Rico's health care system, providing beneficiaries with high-quality care while keeping their out-of-pocket costs low. We respectfully request for CMS to take additional meaningful action to address payment disparities in Puerto Rico's MA program.

Thank you in advance for your consideration.

Sincerely,

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| Bill Nelson | Marco Rubio | Robert Menendez |
| United States Senator | United States Senator | United States Senator |