

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON HEALTH

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Chairman Brady Announces Hearing on the Future of Medicare Advantage Health Plans

House Committee on Ways and Means Health Subcommittee Chairman Kevin Brady (R-TX) today announced that the Subcommittee on Health will hold a hearing to examine the status of the Medicare Advantage (MA) program and the impact of the Affordable Care Act (ACA) on the MA program. **The hearing will take place on Thursday, July 24, 2014 in 1100 Longworth House Office Building, beginning at 10:00 A.M.**

In view of the limited time available to hear from witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of witnesses will follow and be posted on the Committee's website prior to the start of the hearing.

BACKGROUND:

Private health plans have served Medicare beneficiaries from the early years of the program and were strengthened through the 2003 Medicare Modernization Act with the creation of the Medicare Advantage program. The MA program now has nearly 16 million seniors in private Medicare plans, about one in four Medicare beneficiaries in 2012.

However, the program is now facing significant challenges because of the ACA. According to estimates by the Congressional Budget Office (CBO), the ACA will cut \$308 billion from the MA program by 2023. CBO estimated that those beneficiaries who remain in MA will lose \$816 worth of additional supplemental benefits they would have otherwise received in 2019. As a report by the Medicare Payment Advisory Commission (MedPAC) noted, over 23% of seniors enrolled in Medicare Advantage are low-income, dual eligible seniors as of data in 2012, and could face the most significant impact as a result of those reductions.

The Centers for Medicare and Medicaid Services (CMS) has taken steps to mitigate the ACA's payment cuts through its MA Star Demonstration Program and by utilizing a new

payment methodology regarding Medicare Sustainable Growth Rate. However, because of the ongoing transition to the new benchmarks established by the ACA, which will not be fully phased in until 2017, the independent and non-partisan Medicare Trustees have reported that enrollment in MA plans will begin to decline in 2015.

In announcing the hearing, Chairman Brady stated, **“Over the past decade enrollment in Medicare Advantage has tripled, and today more than half of new seniors chose a Medicare Advantage plan to receive their Medicare benefits. These plans are particularly popular with low income and minority seniors since these plans provide high quality and low cost care. Seniors that select Medicare Advantage plans are highly satisfied with the coverage and benefits they receive.**

But now the health plan options favored by the nearly 16 million seniors, particularly some of the most vulnerable groups of seniors, are being threatened by cuts in the Affordable Care Act and onerous regulations. Understanding the successful structure of the MA program and the compounding challenges the program is facing, is key to ensuring seniors now and into the future have access to plans they want that best meet their needs.”

FOCUS OF THE HEARING:

The hearing will examine the current status of the MA program, and the effects of the Affordable Care Act to the program and its impact on seniors enrolled in MA.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, August 7, 2014**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-1721 or (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and MUST NOT exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.