

October 25, 2019

The Honorable Mitch McConnell
Majority Leader, U.S. Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader, U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker, House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader, House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy:

As the leading Medicare Advantage advocacy coalition representing nearly 140 organizations providing care for the 22 million Medicare beneficiaries under Medicare Advantage, Better Medicare Alliance (BMA) advocates on policies that will further strengthen Medicare Advantage as a high-quality, cost-effective choice for seniors. We write to you on behalf of our Alliance and specifically the organizations that are listed below that are deeply concerned about the harmful impact of the Health Insurance Tax (HIT) that is due to be reinstated on January 1, 2020, unless Congress acts.

We strongly urge you to support H.R. 1398 / S. 172 which delays the HIT for two years. If Congress does not take timely action to suspend the HIT, millions of American seniors and others with health insurance coverage could face major increases to their health costs amounting to more than \$20 billion when the HIT returns.¹

Access to health care is of paramount importance to American seniors and individuals with disabilities who depend on Medicare for health services, financial security, and peace of mind. This is especially critical to those living on fixed incomes, many of whom rely on Medicare Advantage for its high-quality care, affordability, simplicity, and additional benefits.

Medicare Advantage Beneficiaries Cannot Afford an Increase in Health Costs

As it is, many current and future retirees are at risk of not being able to afford the costs of health care in retirement. More than half of Medicare Advantage enrollees live on less than \$24,000 annually.² According to a recent analysis, 62% of retirees who are 65 and over, as well as about three out of four non-retired adults age 50 to 64, have less in total retirement savings than what experts recommend saving for health care costs alone.³

¹ "Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later," Oliver Wyman; August 28, 2018. [Web](#).

² "Medicare Advantage Provides Key Financial Protections to Low- and Modest-Income Populations," Analysis by Anne Tumlinson Innovations; July 2019. [Web](#).

³ "Preparing for Health Care Costs in Retirement: An America's Health Rankings Issue Brief," United Health Foundation and Alliance for Aging Research; May 2017. [Web](#).

The HIT Stands to Impact More Medicare Advantage Beneficiaries as Enrollment Grows

As enrollment numbers show, American seniors are increasingly choosing Medicare Advantage for the low costs, consumer financial protections, focus on primary care and care coordination, and enhanced benefits. According to recent projections, enrollment in Medicare Advantage is expected to reach 24 million beneficiaries in 2020, or 40 percent of the Medicare eligible population.⁴ Evidence also shows that Medicare Advantage outperforms Traditional Medicare by improving health outcomes for those with chronic conditions, delivering cost-efficient care, and achieving fewer emergency room visits, reductions in avoidable hospitalizations and readmissions, and higher utilization of preventive services.⁵ Medicare Advantage has the opportunity to do even more for individuals with chronic conditions with new flexibility starting in 2020 to provide care and services to meet social needs that impact health for the chronically ill.

The HIT Could Hamper Availability of New Supplemental Benefits Aimed at Social Determinants of Health

Vulnerable seniors and individuals with disabilities may see new types of supplemental benefits that address the social determinants of health, such as transportation, adult day care, house calls, respite care, home modifications, personal aide care, and meal delivery services, among others. This is a new frontier for Medicare Advantage in addressing the needs critical to achieving better health and quality of life for many chronically ill patients. Our coalition includes many community-based organizations (CBOs) that are anticipating this opportunity. However, the return of the HIT may cause uncertainty and possibly disrupt the ability for plans to partner with CBOs and ensure these services are widely available to eligible, high-need beneficiaries.

Suspension of the HIT has helped keep premiums low and is one of the most direct ways for Congress to provide financial security for seniors and individuals with disabilities who depend on Medicare Advantage.

Thank you for your consideration of our views on this important issue. Should you have any questions or need further information, please do not hesitate to contact our Director of Government Affairs, Lisa Hunter, at lhunter@bettermedicarealliance.org or (202) 758-3157.

Sincerely,

American Physical Therapy Association
Area Agency on Aging Palm Beach / Treasure Coast, Inc.
Association for Behavioral Health and Wellness
Better Medicare Alliance

⁴ Press Release, “Trump Administration Drives Down Medicare Advantage and Part D Premiums for Seniors,” Centers for Medicare & Medicaid Services; September 24, 2019. [Web](#).

⁵ “*Medicare Advantage Achieves Cost-Effective Care and Better Outcomes for Beneficiaries with Chronic Conditions Relative to Fee-for-Service Medicare*,” Analysis by Avalere Health; July 2018. [Web](#).

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Coalition of Texans with Disabilities
Commerce and Industry Association of New Jersey
ConcertoHealth
Connecticut Association of Health Underwriters
Consumer Action
Council for Affordable Health Coverage
Direct Primary Care Coalition
Einstein Healthcare Network
Greater Philadelphia Business Coalition on Health
Healthcare Leadership Council
Health Partners Plans
International Council on Active Aging
Iora Health
Landmark Health
MANNA
Martin's Point Health Care
Meals on Wheels America
National Adult Day Services Association
National Association of Dental Plans
National Association of Health Underwriters
National Association of Hispanic Nurses
National Association of Nutrition and Aging Services Programs
National Hispanic Council on Aging
National Hispanic Medical Association
National Medical Association
National Minority Quality Forum
New Jersey State Nurses Association
Northwell Health
Nurse Practitioner Association New York State
Oak Street Health
Philadelphia Corporation for Aging
Pittsburgh Business Group on Health
Population Health Alliance
Prevea Health
Public Sector Healthcare Roundtable
SilverSneakers by Tivity
SNP Alliance
SSM Health
Summa Health System (Ohio)
Teachers' Retirement System of Kentucky
The Latino Coalition
UPMC
Visiting Nurse Service of New York

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CC:

Members of the United States Senate Finance Committee

Members of the United States House of Representatives Committee on Ways & Means