



April 4, 2025

Dr. Mehmet Oz  
Administrator  
Centers for Medicare & Medicaid Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Oz:

On behalf of the Alliance of Community Health Plans (ACHP), congratulations on your confirmation as Administrator of the Centers for Medicare & Medicaid Services (CMS). ACHP values our longstanding partnership with CMS, and we are excited to collaborate to “Make America Healthy Again.” ACHP and its member companies share your commitment to reducing chronic disease, improving transparency in health care and expanding the use of health technology to deliver high-quality care to more Americans. We offer our organization as a resource, offering commonsense solutions and deregulatory opportunities to strengthen the health of our country.

ACHP is the only national organization advocating for a unique payer-provider aligned model of care that promotes true competition, delivering high quality coverage and care. ACHP members are local non-profit insurers providing affordable coverage options to tens of millions of Americans across 40 states and D.C. A robust and well function market is critically important to drive innovation and competition, ensuring consumers can select the right coverage for their needs.

As you have often noted, tackling chronic disease is essential to improving the health of our nation. That is why in 2021 ACHP and its member companies launched the Chronic Disease Pledge, a 10-year commitment to reduce rates of diabetes, heart disease and childhood obesity by focusing on solutions rooted in local communities. ACHP and its members are also researching the utilization of continuous glucose monitoring (CGM) to improve outcomes, incentivize better behavioral decision-making and enhance the quality of life for individuals with diabetes. We look forward to sharing our findings and working with you and the MAHA Commission.

The U.S. health care system is at an inflection point and CMS has a historic opportunity to fight entrenched interests, foster competition and drive transformational change. ACHP is the only health plan association advancing bold ideas to strengthen Medicare Advantage (MA), lower prescription drug costs, expand patient choice and eradicate chronic disease. These proposals are built around two goals: improving health and reducing costs.



To jump start the significant work ahead, **we urge you to take immediate action on two Biden Administration policies** that inhibit competition, waste tens of billions of taxpayer dollars and fail to improve the health of local communities.

**1. Withdraw the costly proposed coverage of GLP-1s from the 2026 MA and Part D Proposed Rule.**

The Biden Administration acted irresponsibly by proposing to expand coverage of GLP-1 medications for obesity at the eleventh hour without conducting thorough clinical and financial analysis. The excessive prices drugmakers command for GLP-1s have enormous consequences for consumers, taxpayers and employers. The expansion of GLP-1 medications for obesity is fiscally irresponsible, increasing federal costs by an estimated \$24.8 billion due to Medicare Part D coverage and \$14.8 billion due to Medicaid coverage.

Long-term studies of these drugs in individuals using them solely for weight loss, especially those without diabetes or other related chronic conditions, are limited. While experts advise these therapies are meant for lifelong use, early studies show that a significant portion of patients discontinue use within a year and regain lost weight. In short, serious clinical questions remain about which patients might truly benefit from an injection that costs ten times as much in the U.S. than Europe. To advance the Administration's priority of access to affordable and effective medications and getting upstream on chronic disease and obesity, this proposed expansion of GLP-1s should be put on hold.

**2. Eliminate the Biden MA Star Ratings Health Equity Index (HEI) and reinstate the Reward Factor before these policies take effect.**

The Biden Administration's poorly designed policy does not incentivize closing gaps in care delivery and leaves out millions of consumers most affected by risk factors resulting in poor health outcomes. In many communities, particularly in rural regions, local health plans can't even compete for the reward. This is anticompetitive, harms vulnerable consumers in underserved areas and is antithetical to quality investment. ACHP-commissioned modeling by Wakely Consulting Group shows that while nearly the entire nation has the requisite number of seniors with defined social risk factors to qualify for the HEI, more than three-quarters are enrolled in health plans that are ineligible for the full reward. This is a clearly broken policy that cannot be allowed to go into effect. We welcome the opportunity to share the analysis with your team.

Additionally, the Biden Administration eliminated the MA Stars Reward Factor, which recognized consistently high-performing health plans. It is incomprehensible that health plans demonstrating the longest and strongest high-quality records would not be incentivized to continue delivering that standard of care. The Trump Administration should eliminate the deeply flawed HEI and return to the previous Trump Administration policy by reinstating the reward factor before those policies take effect.

ACHP's additional policy recommendations aim to transform the health sector in critical areas – prescriptions drugs, MA and the individual market – to expand consumer choice, deliver better health and foster a thriving free market:



### **A Prescription for Transparency, Competition and Innovation**

Americans deserve radical transparency in the drug supply chain to lower prescription drug costs. This begins with transparency into pharmacy benefit manager middlemen who drive up the cost of drugs for their own profits. ACHP supports banning (or significantly modifying requirements for) direct-to-consumer drug advertisements. This may include requiring manufacturers to disclose all contraindications of drugs and their excessive prices. The Administration should take a hard look at the FDA's accelerated approval pathway for new drugs coming to market, many of which do not have complete efficacy evidence or prescribing guidelines. This is particularly concerning for cell and gene therapies with list prices in the millions of dollars. A [national risk pool](#) would make these therapies accessible to those with rare diseases, maintaining America's leadership in health care innovation.

### **Driving Overdue Refinements in MA**

While many in Washington are digging their heels in to defend MA to the death, we believe it is time for the program to evolve, keeping pace with innovation and ensuring financial integrity. ACHP's [MA for Tomorrow](#) initiative outlines five policy pillars that move this vital public-private partnership into the 21st century, ensuring a more effective and efficient program for America's seniors. Streamlining and simplifying quality measurement, improving consumers' ability to navigate coverage options, modernizing network standards to improve access and choice, appropriately capturing health risks and reforming the benchmark methodology will cut red tape and save the Medicare Trust Fund billions of dollars. Most important, these changes will improve seniors' ability to choose the right care and coverage for their needs.

### **Overhauling Individual Market Risk Adjustment**

Risk adjustment in the individual market is overbuilt and outdated, not allowing the free market to work as intended. ACHP is committed to advancing policies that protect consumers and foster a vibrant and competitive market with robust choices. We are dedicated to safeguarding consumer interests and fostering issuer sustainability, without imposing unnecessary administrative hurdles. The individual market risk adjustment program should be modeled after MA, including data sharing for existing enrollees when they change issuers.

We look forward to collaborating on policy solutions that tackle chronic disease, protect consumer choice, and increase competition delivering affordable health care for the American people. ACHP and its member companies are excited to engage and support new ideas to shift the focus from sick care to health care. We are excited to meet with you and your team in the coming weeks. Please contact Michael Bagel, Associate Vice President of Public Policy ([mbagel@achp.org](mailto:mbagel@achp.org)) to discuss these recommendations further as we partner with your team to support CMS' bold agenda.

Sincerely,

Ceci Connolly  
President and CEO, ACHP