



February 20, 2025

Director Russel Vought
Office of Management and Budget
Executive Office of the President
Eisenhower Executive Office Building
Washington, DC 20502

Director Vince Haley
Domestic Policy Council
Office of White House Policy, Executive Office of the President
Eisenhower Executive Office Building
Washington, DC 20502

Dear Directors Vought and Haley,

On behalf of the Alliance of Community Health Plans (ACHP), congratulations to President Trump and Vice President J.D. Vance. ACHP and its member companies were strong partners with the previous Trump Administration, and we look forward to collaborating again on behalf of the American people to Make America Healthy Again. ACHP and its member companies share the Administration's priorities on chronic disease and a more transparent, efficient and high-quality health care industry. We stand ready to deliver proactive policy recommendations and deregulatory opportunities, offering our organization as a resource to the OMB and DPC teams.

ACHP is the only national organization advancing a unique payer-provider aligned model of health care that fosters true competition, delivering high-quality coverage and care. As regional and non-profit insurers, ACHP member companies provide affordable coverage options to tens of millions of Americans in nearly 40 states and D.C., remaining in their markets even when other carriers exit. The sustainability of regional health plans is of paramount importance to an innovative and competitive insurance industry, ensuring consumers are free to select the coverage they want.

At this moment in history, there is enormous opportunity for the Trump Administration to take on entrenched, powerful interests that have squelched competition. We agree that health care must promote competition and choice, keep pace with technological advances, enhance patient experience and deliver greater value for every dollar spent. ACHP remains the only national health plan association with bold ideas to lower prescription drug prices, take Medicare Advantage (MA) from good to great, increase transparency and protect choice and competition for consumers.

To jump start the significant work ahead; **we encourage you to take immediate action on two Biden Administration policies** that inhibit competition and waste tens of billions of taxpayer dollars.



1. 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, 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 to deliver that standard of care. The Trump Administration should use the 2026 MA and Part D regulation to eliminate the deeply flawed HEI and reinstate the reward factor before those policies take effect.

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

The Biden Administration acted irresponsibly by proposing at the eleventh hour to expand coverage of GLP-1 medications for obesity without conducting thorough clinical and financial analysis. The excessive prices drugmakers command for GLP-1s — dubbed “fat shots” by the president — 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 US than Europe. To advance the Administration’s priority of access to affordable and effective medications, this proposed expansion of GLP-1s should be put on hold until further long-term studies and financial analysis are conducted.



ACHP has additional policy recommendations to transform the health sector in critical areas including prescriptions drugs, MA and individual market to increase consumer choice, deliver better health and ensure a thriving free market:

A Prescription for Transparency, Competition and Innovation: Americans need 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 also needs to 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 healthcare innovation.

Driving Overdue Refinements in MA: It is time for the MA program to evolve, keeping pace with innovation and ensuring financial integrity. ACHP's [MA for Tomorrow](#) initiative outlines five policy pillars that drive the program into the 21st century and ensure better options for America's seniors. Streamlining and simplifying quality metrics and measurement, improving consumers' ability to navigate coverage options, modernizing standards on networks 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 unleash the ingenuity of the competitive market to give seniors the 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. 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 actions this Administration can take to protect consumer choice, increase competition and save federal taxpayer dollars. ACHP and our member companies are excited to engage and support new ideas to shift the focus from sick care to health care. Please contact Michael Bagel, Associate Vice President, Federal Affairs (mbagel@achp.org) to discuss these recommendations further and support the Administration's bold agenda.

Regards,

Ceci Connolly
President and CEO, ACHP