



February 20, 2025

Robert Francis Kennedy Jr.  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Kennedy:

Congratulations on your new role as Secretary of Health and Human Services (HHS). ACHP and its member companies have long been strong partners with HHS, and we look forward to working together to Make America Healthy Again. ACHP and its member companies share your priorities on chronic disease and a more transparent, efficient, high-quality health sector. We offer our organization as a resource with common sense solutions and deregulatory opportunities to restore the health of the nation.

Immediately, ACHP and its member companies are eager to collaborate with the MAHA Commission to make meaningful impact on the health of America's children. In 2023, we launched the ACHP Chronic Disease Pledge, a ten-year commitment to reduce the incidence of diabetes, heart disease and childhood obesity in communities across the country. This commitment goes beyond slogans and is rooted in on-the-ground local solutions. ACHP is leading significant research on the utilization and adoption of continuous glucose monitoring (CGM) to help improve outcomes, facilitate better behavioral decisions and enhance quality of life for patients with diabetes. We look forward to sharing this research partnering with the Commission's efforts to make America healthy again.

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 health 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 costs, take Medicare Advantage (MA) from good to great, get upstream on chronic disease and protect patient choice.

To jump start the significant work ahead; **we encourage you to take immediate action on two Biden Administration policies** that inhibit competition, waste tens of billions of taxpayer dollars and will not 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 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 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, 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.



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

### **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 move this public-private partnership into the 21<sup>st</sup> century and ensure a better program for America's seniors. Streamlining and simplifying quality 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 seniors' ability to choose the right care and coverage for their needs.

### **Leverage Medicaid To Tackle Chronic Disease**

ACHP member companies offer premier Medicaid coordination to millions of low-income beneficiaries, improving health outcomes and supporting our mutually held goal of a healthier America. However, inadequate rates based on pandemic-era acuity and utilization put these cornerstone coverage options at risk. Disruptions to enrollment could further compromise accurate calculations of capitation rates and the financial solvency of nonprofit health organizations to the most vulnerable Americans. As the Trump Administration and Congress turn to critical discussions on the Medicaid program, ACHP offers our expertise to empower consumers to choose their own coverage, maintain critical investments in managing chronic disease and supporting states taking more critical review of Medicaid contract procurement.

### **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.

### **A Prescription for Transparency, Competition and Innovation in Drug Reforms**

Americans need radical transparency in the drug supply chain to lower prescription drug costs for all Americans. This begins with transparency into pharmacy benefit manager middlemen who drive up the cost of drugs for their own profits. Additionally, 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.



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 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 of Federal Affairs ([mbagel@achp.org](mailto:mbagel@achp.org)) to discuss these recommendations further and support HHS' bold agenda.

Sincerely,

Ceci Connolly  
President and CEO  
ACHP