



October 21, 2021

The Honorable Chuck Schumer
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
United States Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

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

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

As Congress continues to negotiate key pieces of the Build Back Better Act, I write to reiterate the Alliance of Community Health Plans (ACHP) positions on vital health care issues.

ACHP represents the nation's top-performing non-profit health organizations improving affordability and outcomes in the health care system. ACHP member companies are provider-aligned health organizations that provide high-quality coverage and care to more than 24 million Americans across 36 states and D.C.

As Congress negotiates a scaled-back reconciliation package that will likely eliminate or modify programs initially included, ACHP urges you to prioritize provisions that expand access and improve affordability of coverage and care for all Americans, including:

- Permanently extend the expanded advanced premium tax credits (APTCs) included in the American Rescue Plan Act (ARPA) and establish a federal reinsurance program;
- Strengthen and expand home and community-based services, especially for consumers struggling with health disparities;
- Close the Medicaid coverage gap in non-expansion states and provide 12 months continuous eligibility for the Children's Health Insurance Program (CHIP) and Medicaid programs;
- Curb out-of-control prescription drug prices for *all* consumers; and
- Protect Medicare Advantage (MA) for the more than 27 million seniors who are currently enrolled and the thousands of new enrollees every day.

MAKING HEALTH CARE BETTER

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Permanent Extension of Enhanced ACA Tax Credits and Reinsurance Funding

Since enactment of the Affordable Care Act, ACHP members have offered comprehensive and affordable coverage in the individual market, focused on expanding access and lowering premiums for consumers even while they experienced financial losses and saw competitors leave the market. We applauded Congress temporarily expanding the subsidies in the ARPA and strongly support making these expanded subsidies permanent in the reconciliation package.

ACHP also supports lowering health care costs by investing in programs that reduce health care premiums and deductibles for all Americans through a reinsurance program which allows states to use the funds to directly lower premiums, out-of-pocket costs, and deductibles for their state residents. This is particularly important to help mitigate the unforeseen costs brought on by COVID-19 for both health plans and the individuals they cover.

Americans deserve to have consistency in their health coverage. By scaling back the duration of the enhanced tax credits, Congress will only add uncertainty and instability to a process that is critically important to millions of people. Additionally, it is inherently unfair to expand offerings to consumers on a temporary basis only to have them later pulled back. As health care leaders know, part of lowering overall costs and improving patient outcomes is through preventive, coordinated care—two areas that will suffer if Congress approves only a temporary expansion of subsidies.

Medicaid

ACHP strongly supports additional funding for home and community-based services (HCBS) which improve access, care and affordability for minority populations, seniors and the chronically ill. Without this program, many older Americans, including those with disabilities, would not be able to remain in their communities and live independently. We are concerned that HCBS funding could be further scaled back and strongly urge including this vital investment to close health equity gaps and keep consumers in their homes and communities.

We remind Congress that HCBS programs target underprivileged individuals in rural and underserved communities. We encourage fully-funding HCBS benefits and providing flexibilities that allow health plans to target people most in need.

ACHP also strongly supports states' closing their Medicaid coverage gap to provide coverage for millions currently uninsured, reduce inequities in accessing care and improve health outcomes. For states that have declined to expand Medicaid, ACHP supports congressional efforts to address the coverage gap. However, many outstanding questions remain on how a federal Medicaid lookalike program would be operationalized. We urge Congress to adopt a robust transitional policy to allow sufficient time to set up a permanent program that does not threaten the stability of the Medicaid program in states that have already expanded.

Additionally, we encourage you to consider ways to ensure states that have already expanded Medicaid to maintain their current state expansion programs. Congress could support these states by increasing federal funding to cover the cost of the expanded population and offer additional flexibility for care delivery. This would create financial equity between expansion and non-expansion states. Recognizing the political environment, Congress may also consider strengthening maintenance of effort requirements to deter expansion states from switching to the new federal program.

We ask that Congress ensure that the bidding process for prospective health plans and third-party administrators in the Federal Medicaid Program does not unintentionally disadvantage nonprofit, community health plans. We look forward to working with you and your staff to help define the role of Medicaid health plans in any program to close the coverage gap.

Finally, ACHP urges Congress to include a state option for 12 months' continuous eligibility for children covered in CHIP and Medicaid. Doing so will ensure that families who rely on these critical programs have stable health care coverage and better care for their children. Additionally, ACHP is supportive of providing new mothers 12 months of postpartum coverage across all states' Medicaid programs. Stable coverage and care will also provide financial security and prevent disruptions in care coordination, case management and social determinants of health activities utilized by Medicaid health plans.

Addressing Prescription Drug Costs

ACHP has outlined a set of [pragmatic, bipartisan steps](#) to rein in the price of prescription drugs, utilizing the innovation of a competitive free market with appropriate government guardrails in order to address high launch prices and prevent cost shifting to consumers in different markets. We are greatly concerned that Congress will take a patchwork approach to drug pricing reform, leaving Medicare, Medicaid and commercial market consumers exposed to higher drug costs while pharmaceutical manufacturers escape any meaningful government oversight.

To address the high cost of prescription drugs, we have urged Congress to pass the following as a comprehensive package:

- Provide HHS limited authority to negotiate prices for the highest cost prescription drugs without competition. We strongly recommend Congress extend price negotiation to the commercial market and prohibit drug makers from cost-shifting to non-Medicare consumers;
- Apply a pricing index or reference pricing to set a maximum price of the highest cost drugs without competition;
- Create a Part D out-of-pocket cap for seniors and eliminate any consumer responsibility in the catastrophic phase. Congress should require significant financial liability for drug companies throughout each phase of the Part D benefit **and** provide health plans additional tools and flexibilities to negotiate lower drug

prices, including removal of restrictions on drugs while maintaining robust coverage and offerings of those drugs;

- Require drug manufacturers to provide rebates for any price increase above the rate of inflation for Part B and Part D drugs;

Importantly, these reforms must be adopted as a comprehensive package. Removing or scaling back drug price negotiation provisions while keeping other policies in place would allow drug manufacturers to cost-shift to make up for any lost revenue, raising prices for consumers. Limiting the government's ability to negotiate on price while keeping Part D redesign would result in increased prices for many consumers, including Part D seniors.

Additionally, Congress should enact drug pricing transparency rules that require manufacturers to report and justify price increases; develop legislative policies that encourage and incentivize the adoption of transparent, fee-based pharmacy benefit managers (PBMs); and expand adoption and utilization of biosimilars.

In total, we call on Congress to adopt legislative policies that address the root causes of the drug pricing problem: tepid government oversight that has allowed drug manufacturers to prevent competition, price new medications at exorbitant rates and increase prices with little-to-no recourse.

Medicare Advantage

Twenty-three of twenty-four ACHP member companies received 4 stars or above in the Centers for Medicare and Medicaid Services' recently announced Medicare Advantage (MA) 2022 Star Quality Ratings and one-third of all health plan contracts awarded 5 stars were offered by ACHP members. Our member companies are leaders at managing chronic conditions, enhancing communication with care teams and increasing preventive screenings.

MA is a successful program that rewards value instead of volume, lowers costs and improves care quality. Seniors in MA receive additional benefits, such as vision, dental, hearing, nutritional assistance, social support services and an out-of-pocket cap not available in traditional Medicare, often at no cost to them. In 2022, more than 29 million Americans will be enrolled in MA (49.1% of eligible Medicare beneficiaries). The program serves a diverse population and a higher percentage of people of color enroll in MA than traditional Medicare, including over 50% of Hispanic Americans and nearly 49% of African Americans. More than 60% of all MA enrollees are women, and more than half of all MA enrollees have annual incomes of less than \$30,000.

ACHP strongly encourages Congress to maintain a strong and vibrant MA program. As you draft the Build Back Better Act, we encourage you to consider how various Medicare proposals will impact the MA program both directly and indirectly. Changes to traditional Medicare, including payment reductions, affect MA. We urge you to not include any policy changes that would harm the MA program or the 29 million — and growing — enrollees.

ACHP believes that there are balanced, bipartisan approaches to improving the program that Congress could consider at a future time. Legislative efforts that advance quality in the program, for instance, are ripe for discussion. But any programmatic changes should be considered outside of the current reconciliation construct. ACHP is ready to serve as a productive partner to Congress as these conversations take shape.

Conclusion

We recognize the extraordinary task before you and appreciate your consideration of these recommendations. Thank you for the opportunity to continue to work with each of you on these very important issues. If you have any questions or need additional information, please contact Dan Jones, ACHP's VP of Federal Affairs at djones@achp.org or Tricia Barrentine Guay, ACHP's Director of Legislative Affairs at tguay@achp.org.

Sincerely,

A handwritten signature in black ink that reads "Ceci Connolly". The signature is written in a cursive, flowing style.

Ceci Connolly
President & CEO

CC: The Honorable Richard Durbin
The Honorable Steny Hoyer
The Honorable Ron Wyden
The Honorable Mike Crapo
The Honorable Patty Murray
The Honorable Richard Burr
The Honorable Frank Pallone
The Honorable Cathy McMorris Rodgers
The Honorable Richard Neal
The Honorable Kevin Brady