



September 1, 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:

On behalf of the Alliance of Community Health Plans (ACHP), I am writing to request your consideration of vital health care issues as Congress prepares the budget reconciliation package.

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 your respective chambers draft health care proposals for a final reconciliation package, ACHP urges your support to:

- Permanently expand the advanced premium tax credits (APTCs) included in the American Rescue Plan Act (ARPA);
- Improve Medicaid access and coverage by closing the coverage gap in non-expansion states and provide states with an option for 12 months' continuous eligibility for Medicaid and CHIP programs;
- Support strengthening and expanding home- and community-based services;
- Curb out-of-control prescription drug prices for all consumers;
- Protect Medicare Advantage (MA) for the more than 27 million seniors who are currently enrolled and the thousands of new enrollees every day.

Coverage and Care

ACHP supports building on the Affordable Care Act (ACA) to increase access to high-quality coverage and care for more Americans. Since the beginning, ACHP members have offered comprehensive and affordable coverage in the ACA's individual market, focused on

MAKING HEALTH CARE BETTER

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expanding access and lowering premiums for consumers even while they experienced financial losses and saw competitors leaving the market. We applauded Congress temporarily expanding the Affordable Care Act subsidies in the ARPA and strongly support making these expanded subsidies permanent in the reconciliation package.

ACHP supports congressional efforts to close the Medicaid coverage gap in non-expansion states to provide coverage for millions currently uninsured, reduce inequities in accessing health care and improve health outcomes. While we support closing the coverage gap, many outstanding questions remain on how a federal Medicaid lookalike program would be operationalized. We urge Congress to include a 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. With our members serving as Medicaid managed care organizations (MCOs) in states across the country, we look forward to working with you and your staff to help define Medicaid's role in any program to close the coverage gap.

We urge you to include a state option for 12 months' continuous eligibility for all people covered in Medicaid and CHIP. Doing so will ensure that Americans who rely on these critical state and federal programs have stable health care coverage and better care. 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 MCOs.

We strongly support permanent funding for home and community-based services 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.

Addressing Prescription Drug Costs

In our recently released issue brief, [Lowering Drug Costs through Transparency and Competition](#), we 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. ACHP is the first health payer organization to support a broad set of progressive reforms.

To address the high cost of prescription drugs, we urge Congress to consider the following [recommendations](#):

- 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 an International 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 D drugs;
- Enact drug pricing transparency rules that require manufacturers to report and justify price increases;
- Encourage and incentivize the adoption of transparent, fee-based pharmacy benefit managers (PBMs); and
- Expand adoption and utilization of biosimilars.

Quality and Care

ACHP member organizations are built around a unique approach to health care, putting the patient at the center with health plans and clinical teams collaborating to improve outcomes and reduce costs. This approach aligns incentives to deliver the right care at the right time in the right place. For example, ACHP members offer 43% of the top-scoring Medicare Advantage (MA) plans nationwide. Our member companies are leaders at managing chronic conditions, enhancing communication with care teams and increasing preventive screenings. Nearly all ACHP MA enrollees—more than 93%—are in a four-star plan or higher.

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). Seniors are voting with their feet. Between 2012 and 2021, MA enrollment grew by 13.8 million or 102 percent compared to growth in the overall Medicare population of just 25 percent for the same period. The program is serving 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. Additionally, more than 60 percent 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 your respective reconciliation proposals, we encourage you to consider how your Medicare proposals will impact the MA program both directly and indirectly. As a reminder, changes to traditional Medicare including payment reductions also impact MA. We urge you to not include any policy changes that would harm the MA program or the more than 27 million enrolled seniors and the thousands more enrolling every day.

We recognize the extraordinary task before you and appreciate your consideration of our 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 or (202) 897-6030.

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 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