Congress of the United States
Washington, DC 20515

May 13, 2020

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Ave, S.W.
Washington, D.C. 20201

Ms. Liz Richter
Acting Administrator
Centers for Medicare and
Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Secretary Becerra and Acting Administrator Richter:

We write to express concern with the Centers for Medicare and Medicaid Innovation (CMMI) Direct Contracting Entities (DCE) pilot program. We appreciate that you paused implementation of the Geographic model, and we were also pleased to see CMMI stop enrollment for any new providers in the Global and Professional Direct Contracting (GPDC) model. However, we remain worried that the 53 DCEs participating in the GPDC model, a policy launched under the Trump Administration lacks oversight to protect Medicare beneficiaries' care.

Under this model, beneficiaries who have deliberately chosen traditional Medicare over Medicare Advantage (MA) will be auto-enrolled in private plans offered by insurer DCEs within traditional Medicare. It remains unclear how CMS will ensure beneficiaries will be able to switch back to traditional Medicare, or even how CMS will notify beneficiaries that they have been auto-enrolled into an insurer DCE. We are concerned that funneling people into Medicare Advantage-like plans not only eliminates beneficiary choice, but also erects more barriers and provides fewer consumer protections for beneficiaries. It is also unclear how CMS will monitor impacts to beneficiary access to care, the impact on current Accountable Care Organization (ACO) models, or possible excess payments made to insurer DCEs.

We are also concerned that the insurer DCE model creates additional risk for beneficiaries without adding any value. This model has less accountability than Medicare Advantage plans, which have been overpaid $143 billion between 2008 and 2020 according to MedPAC. The insurer DCE model offers a similar opportunity to maximize reimbursement through inflated Hierarchical Condition Category (HCC) codes. For example, one insurance company served 98 million people in 2020, compared to 96 million one year ago, and revenue per consumer served increased 29 percent in year-over-year for 2020 driven by the expansion of people served in value-based care arrangements and the increasing acuity of the care services provided.[1] Because

[1] UHC Q4 2020 Financial Results Press Release.
https://www.unitedhealthgroup.com/viewer.html?file=/content/dam/UHG/PDF/investors/2020/UNH-Q4-2020-Release.pdf

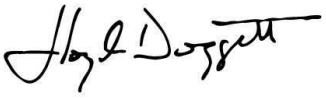
of the pervasive nature of this practice in risk scores, we are alarmed that the insurer DCE may significantly increase costs without providing any value.

As members of Congress committed to protecting Medicare beneficiaries, we ask that CMS immediately freeze the harmful CMMI DCE pilot program including the Geographic model and the Global and Professional Direct Contracting Model and evaluate the impact to beneficiaries. We look forward to your response.

Sincerely,

Mark Pocan
Members of Congress

Bill Pascrell, Jr.
Member of Congress



Lloyd Doggett
Member of Congress

Katie Porter
Member of Congress