



KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Executive Director

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March 4, 2016

Mr. Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health & Humana Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Centers for Medicare & Medicaid Services (CMS)
Medicare Advantage 2017 Advance Notice and Call Letter

Dear Acting Administrator Slavitt:

Kentucky Retirement Systems (KRS) is submitting this comment letter on the recently released 2017 Advance Notice and Call Letter “45 Day Notice.” KRS has a vested interest in the continuation and overall health of Medicare Advantage coverage on behalf of the 47,000 Kentucky retirees, and beneficiaries covered under our fully insured MA plans. Moreover, over 18 million Medicare beneficiaries are currently enrolled in MA – a third of the Medicare population. Beneficiaries are choosing MA in increasing numbers because of the access to quality, affordable, and coordinated value-based care. MA improves care by empowering clinicians to transform the model of care, while at the same time advancing the goal of moving the Medicare system from a focus on volume to one on value. In our letter below we outline the key concerns of our organization following review of the 45 Day Notice.

The proposed changes to MA employer plans would result in a serious disruption in coverage and care for the 3.3 million retirees – 20% of all MA beneficiaries. We strongly encourage CMS to reconsider changes that experts say could result in an estimated 3-4% payment reduction to employer, government, and union retiree MA plans. The payment reductions would likely impact enhanced benefits, premiums and co-payments for beneficiaries. Employers, including governments, large employers and unions, have turned to MA coverage to provide a seamless transition from employee to retiree health insurance coverage. We support the continuation of this important option for millions of American’s retirees and encourage CMS to support this style of Medicare coverage by reconsidering its proposed payment reductions.

KRS is in the third year of utilizing a MA plan to deliver a high level of health coverage at a cost that is both sustainable for our plan and reasonable for our members and beneficiaries. We support MA and the value-based, high quality, and coordinated care it offers for Medicare eligible beneficiaries. As CMS finalizes the 2017 proposals that impacts current and future MA beneficiaries, we encourage policies that will provide stability to providers and beneficiaries. We appreciate the efforts of CMS to ensure access to innovative and effective MA plans and look

forward to continuing to work towards our shared goals of quality, cost effective, and value-based care for nearly 18 million Medicare beneficiaries.

Sincerely,

A handwritten signature in blue ink that reads "William A. Thielen". The signature is written in a cursive style with a large, stylized initial "W".

William A. Thielen,
Executive Director