



March 4, 2016

Sean Cavanaugh
Deputy Director and Administrator, Center for Medicare
Center for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

RETIREMENT BOARD CHAIR
CAROL CORRETHEERS

RETIREMENT BOARD VICE CHAIR
ROBERT STEIN

EXECUTIVE DIRECTOR
MICHAEL J. NEHF

Re: Advance Notice of Methodological Changes for Calendar Year (CY) 2017 for Medicare Advantage (MA) Capitation Rates, Part C and Part D Payment Policies and 2017 Call Letter

Dear Director Cavanaugh:

As a trusted advisor for over 100,000 Medicare retirees, STRS Ohio seeks the preservation of the group EGWP MA bid process.

We urge CMS to reconsider its proposals outlined in the 2017 Call Letter regarding the discontinuation of the group EGWP MA bid process as we believe this change will lead to increased costs for Medicare and loss of service to our retirees.

If our group EGWP MA program was terminated, our retirees would move into Medicare plans that have less (Medicare Supplement) or no focus (traditional Medicare) on care management which is likely to increase costs to Medicare.

The proposed elimination of the group EGWP MA bid process negatively impacts our members, our plan and Medicare through reduced benefits, higher costs and potentially worse care for members. Specifically, this change will likely impact our retirees as follows:

- **Operationally, receiving rates in August or September is insufficient to develop and inform our retirees of their benefits and premiums for the upcoming year in time for open enrollment.** The current schedule only affords the minimal time required to discuss and gain approval from our Retirement Board of the final 2017 rates and coverage provisions by June of each year.
- **STRS Ohio will be forced to abandon the group MA program because it can no longer provide competitive premiums compared to individual MA products.** Termination of our program would affect our retirees in the following ways:
 - **Loss of continuity** – the value of offering care management programs, benefits, education, dedicated customer service and advocacy over a long-term time horizon should not be underestimated as our retirees typically remain in our group MA plan for 20 or more years. The added value these programs gain with long timelines is greatly diminished when retirees change plans periodically as participants in individual MA plans are much more likely to do.

Our retirees have the security of knowing that their insurance company, benefits and rates will not change dramatically every year. Our retirees constantly tell us that they place

enormous value on knowing that their Retirement System is offering them healthcare coverage and they trust us to keep their interests foremost in mind.

- **Loss of access** – STRS Ohio has:
 - **11,600 Medicare Part B-only individuals** (never paid into Social Security) who would not be eligible for individual MA plans unless they enrolled and paid the full Medicare Part A monthly premium.
 - **5,500 individuals living in underserved counties** where individual MA products are few or non-existent would lose access. Today these individuals participate in our plan through the extended service area option allowed under a group MA plan.
 - **3,300 disabled individuals** who are more likely to choose traditional unmanaged fee for service Medicare when there is no group MA plan available. These are individuals who are often the very ones who benefit the most from care management programs.
 - **A national network** that keeps people working with network providers who are integral to delivering cost-effective care management programs.
- **Loss of excellent customer service.** We provide excellent customer service to our group MA members. For example, we routinely work with our retirees when our group MA plan notifies us that a retiree has lost their Medicare Part B coverage, often getting the problem fixed without any lapse in coverage. Individual MA plans are typically not focused on working hard to keep members covered or untangling Medicare coverage issues.

The State Teachers Retirement System of Ohio (STRS Ohio) represents over 509,000 educators. We provide health plans for our retirees through a variety of group medical and prescription arrangements. Our largest group, consisting of more than 85,000 retirees, utilizes an EGWP Medicare Advantage (MA) PPO plan. Our retirees reside in all states, with some retirees maintaining a winter home in other parts of the country. Our current contracts, which represent the best possible service and financial terms for our retirees, are a result of a collaborative purchasing process with other large Ohio public retirement systems.

At a minimum, we request an extension of the implementation date for at least 12 additional months (January 1, 2018) to allow a more systematic and orderly transition process for both plan sponsors and our retirees.

If you have any questions, I welcome the opportunity to respond and discuss further. With planning for 2017 underway, we respectfully request your prompt response.

Sincerely,



Michael J. Nehf
Executive Director