

Congress of the United States
House of Representatives
Washington, DC 20515

October 30, 2006

The Honorable Leslie Norwalk
Acting Administrator
Centers for Medicare and Medicaid Services
200 Independence Avenue, S.W.
Room 443-G, Hubert H. Humphrey Building
Washington, DC 20201

Dear Ms. Norwalk:

On August 22, 2006, President Bush issued an Executive Order to increase transparency in quality and pricing for federal health care programs, including the Medicare program.¹ Despite this order, the Centers for Medicare and Medicaid Services (CMS) has stopped releasing important data relating to the Medicare Advantage (MA) program. In addition, CMS has yet to provide comprehensive data on the Medicare Prescription Drug Plans (PDPs). We are writing to request that CMS make detailed data on the current status of the both the MA program and the PDP program publicly available immediately.

The MA program, as you know, has become a substantial part of Medicare. More than seven million beneficiaries are now enrolled in MA plans, such as Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service, and Special Needs Plans.² The Congressional Budget Office projects annual payments to MA plans to exceed \$50 billion in FY 2006 and \$400 billion from 2007 to 2011.³ Detailed investigation of these MA payments is appropriate for ordinary oversight activities, as well as to gain a better understanding of the excess payments going to MA plans, which on average are 11 percent more than fee-for-service for every enrollee, according to the Medicare Payment Advisory Commission.⁴

Prescription Drug Plans now represent a significant part of the Medicare program as well, with more than 16 million Medicare beneficiaries enrolled in stand-alone PDPs as of September 1,

¹ President George W. Bush, *Executive Order: Promoting Quality and Efficient Health Care in Federal Government Administered or Sponsored Health Care Programs* (Aug. 22, 2006) (online at www.whitehouse.gov/news/releases/2006/08/20060822-2.html).

² CMS, *Medicare Advantage Plans Provide Lower Costs and Substantial Savings* (April 3, 2006) (online at www.cms.hhs.gov/apps/media/press/release.asp?Counter=1825).

³ Congressional Budget Office, *Fact Sheet for CBO's March 2006 Baseline: MEDICARE* (March 3, 2006) (online at www.cbo.gov/ftpdocs/70xx/doc7055/Supplemental_Data.pdf).

⁴ MedPAC, *Medicare Advantage Benchmarks and Payments Compared with Average Medicare Fee-For-Service Spending* (June 9, 2006).

2006.⁵ Detailed analysis of payments to and enrollment in these plans is crucial to understanding both the successes and shortcomings of this new program.

Comprehensive and detailed data on the MA program at the county-level are publicly available from CMS through December 2005. Since January of 2006, however, CMS ended this practice of making publicly available comprehensive and detailed data on the MA program at the county-level and only provides minimal information not useful for a more detailed understanding of the program.

Similarly, comprehensive data on the PDP program have yet to be made publicly available. For example, current PDP enrollment data released by CMS are given only at the contract level.⁶ This format prevents any detailed analysis below the national level, as a single PDP contract typically covers several counties and often more than one state.

County-level data on beneficiaries is necessary for researchers to analyze the patterns and trends in the enrollment and costs of the MA and PDP programs, including detailed analysis on MA and PDP payments by geographic area, by type of plan, and by firm sponsor in 2006.⁷ This information is critical to having an informed policy debate at both the state and federal level.

Therefore we urge CMS to make public immediately county-level data for both Medicare Advantage plans and Prescription Drug Plans, on both the current enrollment and the payments per enrollee, for each individual plan. These data should be provided in a manner and format similar to data available in 2005, and should include at least as much detail as in 2005.

⁵ CMS, *Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Organizations – Monthly Enrollment Report by Contract* (Sept. 1, 2006) (online at www.cms.hhs.gov/PrescriptionDrugCovGenIn/02_EnrollmentData.asp).

⁶ CMS, *Medicare Advantage, Cost, PACE, Demo, and Prescription Drug Plan Organizations – Monthly Enrollment Report by Contract* (Sept. 1, 2006) (online at www.cms.hhs.gov/PrescriptionDrugCovGenIn/02_EnrollmentData.asp).

⁷ Research utilizing this data include: Kaiser Family Foundation, *Medicare Health and Prescription Drug Plans Monthly Tracking Reports* (online at www.kff.org/medicare/index.cfm); Kaiser Family Foundation, *Medicare Health and Prescription Drug Plan Tracker* (online at www.kff.org/medicare/index.cfm); Marsha Gold and Stephanie Peterson, Mathematica Policy Research, Inc., *Analysis of the Characteristics of Medicare Advantage Plan Participation* (July 17, 2006); Marsha Gold, Mathematica Policy Research, Inc., *Medicare Advantage: Early Views and Trend Spotting: What We Know from Analyzing Public Data Files* (May 2006); Lori Achman and Lindsay Harris, AARP Public Policy Institute, *Early Effects of the Medicare Modernization Act: Benefits, Cost Sharing, and Premiums of Medicare Advantage Plans, 2005* (April 2005).

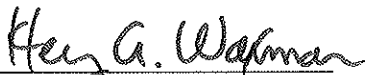
All requested CMS enrollment county-level data should include actual enrollment for each individual contract including plan contract number, contract type, firm name and plan identifier number. All requested county-level payment data should include the actual monthly payment per enrollee for each individual contract including contract number, contract type, firm name and plan identifier number. CMS should also include in this data the number of beneficiaries that were auto-enrolled into Part D plans and the number who remained in their assigned plan for the full year.

In addition, we urge that you make available expeditiously 2007 data, as many beneficiaries are likely to change plans in the coming enrollment season.

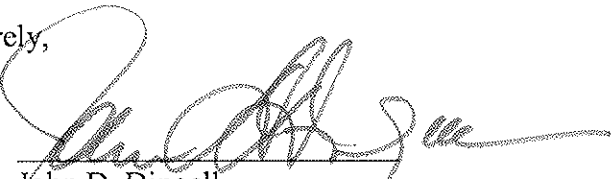
Finally, we reiterate our request for the full set of quarterly plan performance data in a timely fashion each quarter. This includes data on appeals, call center performance, generic dispensing rates, numbers of beneficiaries in medication therapy management programs, and other important items useful not only for policy makers but for individuals enrolled in or considering enrollment in these plans.

If you have any questions regarding this request, please contact Stephen Cha with the Committee on Government Reform Minority staff, at (202) 226-5420 or email at Stephen.Cha@mail.house.gov. Thank you very much.

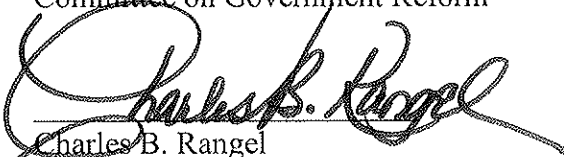
Sincerely,



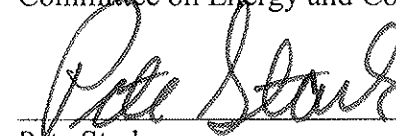
Henry A. Waxman
Ranking Minority Member
Committee on Government Reform



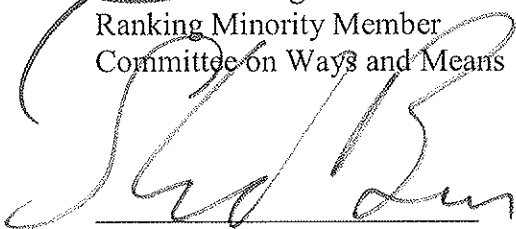
John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce



Charles B. Rangel
Ranking Minority Member
Committee on Ways and Means



Pete Stark
Ranking Minority Member
Committee on Ways and Means
Health Subcommittee



Sherrod Brown
Ranking Minority Member
Committee on Energy and Commerce
Health Subcommittee