



*The Voice of Accountable Physician Groups*

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For Immediate Release

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## **Over 140 Physician Organizations Call for CMS to Hold Medicare Advantage Rates Flat for 2015**

### *Cuts Threaten Care and Benefits for Seniors*

Washington – Organized by CAPG, the largest national association of capitated, accountable physician groups, over 140 physician groups sent a letter to CMS Administrator Marilyn Tavenner calling on CMS to hold Medicare Advantage (MA) rates flat for 2015.

“Cuts to the Medicare Advantage program have a direct impact on physician organizations and Medicare beneficiaries,” the letter to Tavenner stated. The cuts would threaten the superior care seniors receive under MA and reduce benefits.

According to analysis cited by the groups, cuts to physician organizations will range from between 4.5% and 7% depending on various factors specific to each physician group. This proposed cuts added to the 6.5% in cuts that went into effect for the 2014 payment year mean physician groups are looking at double digit reductions over a two year period. “This type of downward pressure on the program is simply unsustainable,” they wrote in the letter.

The organizations represented provide care to millions of seniors across the country through the Medicare Advantage program. In their letter, the groups pointed out that “peer reviewed research has consistently shown that Medicare Advantage outperforms traditional Medicare.” They shared several examples of research demonstrating MA’s superiority including a recent Health Affairs article that showed that “Medicare Advantage patients are more likely than traditional Medicare patients to receive appropriate breast cancer screening, diabetes care, and cholesterol testing for cardiovascular disease. The letter also pointed out that research shows MA patients have been “shown to have lower rates of preventable readmissions when compared to patients in traditional Medicare.” Readmissions are a significant source of costs in the Medicare program and a focus for reduction over the years.

The groups pointed out that Medicare Advantage is not just a program that impacts Medicare but in fact has a large impact in the under 65 market. Working with CMS, many of the organizations are taking steps to move the health care system from the antiquated fee-for-service based system to a more modern coordinated and value-based system that include bundled payments, accountable care organizations and population based payment initiatives. As the best model for coordinated care, Medicare Advantage provides the infrastructure and experience to drive such change. The full impact and benefit of MA is seen by the fact that “among those seniors aging into Medicare, 50% are electing Medicare Advantage over traditional Medicare.” This is a trend that can only be expected to grow

“Cutting Medicare Advantage year after year will result in a deterioration of the care coordination infrastructure” and “seniors will see a deterioration of benefits and we are worried will ultimately move back into fragmented fee-for-service care delivery models. This would be a bad outcome for seniors and a step backward for the healthcare delivery system.” Inexplicably these cuts to MA, which threaten the development of new models of delivery, come at a time when Congress is on the verge of adopting a reform the Sustainable Growth Rate formula that seeks to move Medicare away from fee-for-service.

A copy of the letter can be found here: [www.capg.org](http://www.capg.org)

CAPG is the nation's largest trade association representing physician organizations delivering capitated, clinically integrated health services. CAPG's member groups employ and/or contract with physicians who in turn provide health care services to millions of patients. More than 60,000 physicians are employed by or contracted with CAPG member physician organizations. CAPG members are committed to improving and providing high quality, affordable healthcare.

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