January 16, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Blvd.
Baltimore, MD 21244

Comments submitted electronically via http://www.regulations.gov

RE: Medicare Program; Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program (CMS-4182-P)

Dear Administrator Verma:

Blue Cross Blue Shield of Michigan (BCBSM) and Blue Care Network appreciate the opportunity to review and provide comments to the Centers for Medicare & Medicaid Services (CMS) on the **Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program.**

BCBSM and Blue Care Network have more than 518,600 members enrolled in our Medicare Advantage plans, which each have overall ratings of 4 stars. Of our total Medicare Advantage membership, approximately 430,100 members are enrolled in PPO plans and 88,500 members are enrolled in our HMO plan. Our combined membership includes approximately 140,300 individual members, as well as 378,300 group members, many of whom include retired city and state employees. We provide Medicare Advantage coverage to more than 446,900 Michigan residents and approximately 71,700 non-residents. With many years of combined individual and group Medicare experience, we look forward to continuing to partner with CMS to improve member satisfaction and quality outcomes in the Medicare program.

BCBSM appreciates many of the proposals included in the **Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program (CMS-4182-P).** For example, BCBSM supports:

- Flexibility in the Medicare Advantage Uniformity Requirements: BCBSM appreciates the flexibility to offer tailored benefits for enrollees that meet certain medical criteria, in order to better serve these beneficiaries. With this change, BCBSM will employ a more nuanced approach to benefit design, including reducing or removing financial barriers to essential care. When Medicare beneficiaries can select plans that are better aligned with their unique healthcare needs, they will have better access to high-value healthcare services. This should result in improved quality outcomes and more effective use of

healthcare resources. We would appreciate CMS providing additional examples in the final rule regarding benefit designs and medical conditions that would be considered appropriate use of this flexibility.

- Meaningful Differences in Medicare Advantage Bid Submissions and Bid Review: BCBSM appreciates the elimination of meaningful difference requirements for MA plans. Along with the flexibility in the Medicare Advantage Uniformity Requirements, this will allow BCBSM to offer plans that are tailored to our beneficiaries' needs, improving plan choices and increasing market competition.

- Expedited Substitutions of Certain Generics and Other Midyear Formulary Changes: BCBSM appreciates the ability to substitute generics immediately. This proposal will allow our beneficiaries to access lower cost drugs quickly, reducing cost sharing and premiums.

- Regulatory Changes to Medicare Medical Loss Ratio Reporting: BCBSM appreciates CMS streamlining the Medical Loss Ratio reporting requirements and changes to the quality improvement expense definition to better reflect the value of insurers anti-fraud and abuse activities.

- Part D Prescriber Preclusion List and Part C/Medicare Advantage Cost Plan and PACE Preclusion List: BCBSM appreciates elimination of the provider enrollment requirement and supports the creation of a preclusion list as an alternative.

BCBSM has additional feedback and comments about the proposals below and appreciates CMS's consideration of our concerns.

Basis, Purpose, and General Applicability of the Quality Star Ratings System

Measure Weights

CMS requested stakeholder feedback on increasing the weight of the patient experience/complaints measure. **BCBSM does not support increasing the weight of patient experience/complaints measures**. This measure is very subjective, the impact is very difficult to predict and traditionally survey measures fluctuate yearly based on the sample chosen.

Contract Consolidation

BCBSM supports CMS's proposal to determine star ratings for consolidated contracts using the enrollment-weighted average of the surviving and consumed contracts. We believe that CMS's proposal will avoid plan consolidation in order to mask low performance and obtain larger Quality Bonus Payments. This provides more transparency and accurate information for the beneficiary.

Categorical Adjustment Index

BCBSM supports the use of the Categorical Adjustment Index (CAI) and future efforts to account for the impact of disability or socioeconomic status on Stars ratings, but believes that CMS should implement a hold harmless provision for plans that are negatively impacted by the CAI, especially if the CAI results cause a plan to fall below a certain threshold.

Reducing Provider Burden: Comment Solicitation

CMS is exploring options to reduce the burden on providers arising from requests for medical record documentation by Medicare Advantage (MA) organizations. CMS is required to adjust payments to MA organizations based on the enrollee's risk factors. MA organizations are required to submit risk adjustment data to CMS. The data must be documented in the medical record that MA organizations submit to validate the data.

BCBSM welcomes the opportunity to work with CMS to develop approaches that can reduce burden on providers, CMS and health plans, while adhering to the statutory and regulatory requirements of the risk adjustment program.

BCBSM strives to do everything it can to reduce the burdens on providers related to the risk adjustment program, while adhering to program requirements. We would welcome the opportunity to be part of an ongoing dialogue regarding improvements to the risk adjustment program, and best practices in this field.

When requesting medical records from providers, BCBSM strives to reduce provider burden. For example, we are very targeted in medical record requests, only looking for claims that are risk adjustment eligible. We offer various methods of chart retrievals, and check internally for medical records that support the HCC in question to avoid unnecessary reach outs to providers. We educate providers to ensure they are accurately coding and documenting a member's conditions to avoid additional work. We are also working with providers on access to electronic health records, which has been very beneficial for the medical record retrieval process. Office staff can upload medical records or we can pull the information directly from the records if we have electronic access.

To further reduce provider burden, BCBSM recommends that CMS allow plans and providers to add contract terms so that plans have access to providers' electronic medical record system for purposes of risk adjustment data validation (RADV) audits. BCBSM also recommends that CMS revise regulatory language so that providers are required to respond to medical record requests for a RADV audit within a certain number of days.

Request for Information Regarding the Application of Manufacturer Rebates and Pharmacy Price Concessions to Drug Prices at the Point of Sale

BCBSM appreciates that CMS issued a request for information regarding manufacturer rebates and pharmacy price concessions rather than proposing a new rule. **BCBSM strongly opposes applying rebates or pharmacy concessions at the point of sale.** Applying rebates or pharmacy concessions at the point of sale will increase premiums for all Part D beneficiaries, increase cost to the Medicare program, and will reduce drug costs for only some Part D beneficiaries. In addition, we are concerned about the confidentiality of relationships between PBMs, plan sponsors and manufacturers. Lastly, BCBSM is concerned about the operational challenges in implementing rebates and pharmacy concessions at the point of sale.

BCBSM is strongly in favor of efforts to reduce prescription drug costs for our beneficiaries and the Part D program. Policymakers and regulators should be striving for ways to increase competition in the prescription drug market to address the root cause of high drug costs: brand drug manufacturers set list prices too high and raise those prices at excessively and unnecessarily high rates.

Implementation of the Comprehensive Addiction and Recovery Act of 2016 (CARA)

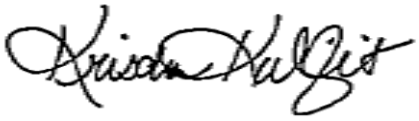
BCBSM strongly supports a lock-in program as an effort to reduce beneficiary harm from

addiction and improve quality of care. We are generally supportive of CMS's proposed approach to implementing the lock-in program but request that:

- CMS expand the definition of "frequently abused drugs" to include benzodiazepines and muscle relaxants.
- With respect to opioids, BCBSM requests that the clinical guidelines for what is considered a frequently abused drug and an at-risk or potentially at-risk beneficiary be revised to:
    - an average daily morphine milligram equivalent (MME) greater than or equal to 50 mg for any duration during the most recent 6 months and either:
    - 2 or more opioid prescribers and 2 or more opioid dispensing pharmacies OR
    - 3 or more opioid prescribers, regardless of the number of opioid dispensing pharmacies.
- BCBSM is also concerned that 6 months is too long after a beneficiary is identified as at-risk to implement a prescriber lock-in; we recommend a shorter waiting period (1 or 2 months).

If you have any questions or would like further information about the information provided, please contact Krischa Winright, Senior Vice President, at kwinright@bcbsm.com. BCBSM looks forward to continuing its partnership with CMS in the Part C and D programs. Thank you again for the opportunity to provide feedback.

Sincerely,



Krischa Winright,
Senior Vice President, Business Performance & Development