



GOODYEAR
RETIREE HEALTHCARE TRUST

March 3, 2018

Demetrios Kouzoukas
Principal Deputy Administrator
Centers for Medicare & Medicaid Services
Director, Center for Medicare

Re: 2019 Advance Notice and Draft Call Letter

Dear Administrator Kouzoukas:

On February 1, 2018, CMS released Part II of the 2019 Advance Notice and Draft Call Letter (the "Call Letter"), which proposed various methodological changes for Calendar Year 2019 for Medicare Advantage (MA) capitation rates, as well as Part C and Part D Payment Policies. The Call Letter sought comment from stakeholders on a number of issues, including MA EGWP payment methodology. These comments are submitted by the Retirees of Goodyear Tire & Rubber Company Health Care Trust ("Trust"). The Trust provides health coverage to retirees and their dependents who formerly worked for Goodyear Tire & Rubber Company. It currently has approximately 22,000 beneficiaries who are enrolled in an MA PPO plan (Freedom Blue with Highmark). The beneficiaries mostly live in Ohio, Alabama, Tennessee, Virginia, Nebraska and Kansas.

The Trust urges CMS to adopt the option to continue to use the blended bid-to-benchmark ratios determined for Plan year 2017 based on 2016 data, instead of the option to fully implement the individual market bid-to-benchmark ratios. We understand that no EGWP bid data exists for Plan Year 2018 so as to update these ratios, and appreciate the use by CMS of the latest data available. The Trust believes the blended bid-to-benchmark ratios are the better option for two reasons:

Stability – The blended bid-to-benchmark ratios create a greater level of stability and certainty for CMS and for the MA EGWP employer/union groups. Numerous sources of volatility exist for all MA plans, including new federal and state regulations that occur after rates are determined or changes in the statute that Congress makes (such as the recent postponement of the Health Insurance Providers fee). The employer/union groups have no control over the individual



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market MA bids from year-to-year and may not even have an accurate insight into what the average bid was in a county the previous year. In contrast, maintaining the same blended bid-to-benchmark ratio year-over-year will allow for greater planning as the change in a given year is knowable for the employer/union groups (as it is only dependent on the changes to the benchmark in relevant counties).

Consistency with Original CMS Goals – The blended bid-to-benchmark ratios are consistent with the original CMS goals in altering the CMS payment methodology that CMS described in the Draft Call Letter for Plan Year 2017. One goal was to reduce the payment differences between EGWP and individual plans, which the blended bid-to-benchmark ratio does. Another goal was to remove the dynamic for MA EGWPs to bid without open market pressures as there are in the individual MA market. The continued waiver of the bidding requirement achieves that goal. The final goal was to establish one set rate, notwithstanding quality bonus payments, for all MA EGWPs in a given county. The blended bid-to-benchmark ratios accomplish that goal as well. As such, implementation of the bid-to-benchmark ratios based solely on the individual market does not materially advance any of CMS's original goals in altering the payment system.

Proposal to Account for HMO versus PPO enrollment – The Trust supports the proposed adjustment for the differences in enrollment in HMO plans versus PPO plans between the group and individual markets. The Trust believes that the adjustment could be made regardless of whether CMS decides to continue using the blended bid-to-benchmark ratios or to fully implement the individual market bid-to-benchmark ratios.

In conclusion, the Trust appreciates the opportunity to comment on the Call Letter. We urge CMS to maintain the blended bid-to-benchmark ratios for EGWPs, and to make the proposed adjustment to account for differences in HMO versus PPO enrollment between the group and individual markets.

Sincerely,

Thomas F. Duzak, Chairman
Committee for the Retirees of Goodyear
Tire & Rubber Company Health Care Trust