

January 29, 2021

VIA ELECTRONIC SUBMISSION

Norris Cochran
Acting Secretary, Department of Health & Human Services
200 Independence Ave SW
Washington, DC 20201

Re: Request to Suspend Implementation of Geographic Direct Contracting Model Demonstration

Dear Acting Secretary Cochran:

The undersigned organizations are national, nonprofit aging organizations concerned with the well-being of Medicare beneficiaries. We write to urge you to suspend implementation of the geographic direct contracting demonstration (“Geo demo”). While our groups have varying positions concerning the conceptual underpinning of the demo, we are united in our request that the Biden Administration pause the rushed roll-out in order to address a range of unanswered questions and issues, including some of those articulated below.

If implemented as is, the Geo demo would significantly affect Medicare beneficiaries aligned to direct contracting entities (DCEs)—without the choice to opt out. This lack of free choice in how to receive care contravenes the promise of Medicare. It would also have a wide-ranging impact on the program as a whole. As noted by the nonpartisan Commonwealth Fund, “[t]his model will have the effect of enrolling Medicare beneficiaries into a managed care–like plan; it is one of the most significant changes to the way Medicare beneficiaries receive health care since managed care was introduced into Medicare in the 1970s.”¹

In its final weeks and days, the Trump Administration released this demo on an accelerated timeline: CMS announced the new Geo demo on December 3, 2020, issued a request for applications on January 15, 2021, and requested that applications be submitted in April 2021, with the first model agreement period starting on January 1, 2022.

Based on the information available to date, we are concerned about issues surrounding oversight and accountability of DCEs. Our concerns include the fact that DCEs will not be subject to many of the oversight requirements applicable to Medicare Advantage plans, such as reporting of encounter data or the application of a medical loss ratio. Furthermore, there are a number of unanswered questions and unaddressed issues surrounding the demo including:

- How will the Geo demo intersect with the DCE model for individuals dually eligible for Medicare and Medicaid, in markets where the latter model exists?
- How will the Geo demo address and measure equity in provision of supplemental benefits?

¹ Commonwealth Fund, “What Does the New “Geo” Model Mean for Medicare?” (12/15/2020): <https://www.commonwealthfund.org/blog/2020/what-does-new-geo-model-mean-medicare>

- How will each beneficiary's freedom to choose a provider (and to avoid managed care enrollment altogether) be adequately protected?
- How will the demo interact with Medigap plans and other wraparound coverage, such as employer plans?
- What are the actionable steps and enforceable mechanisms CMS will take to address inevitable beneficiary confusion that will emerge (for example, concerning use of preferred providers and how to challenge preservice denials)?
- Will CMS issue any additional guidance—which it has not done for Medicare Advantage—concerning the marketing and description of supplemental benefits to ensure DCEs do not use such benefits primarily as a marketing tool?
- What steps will CMS take to ensure that beneficiaries understand the difference between making choices among Geo DCE options and Medicare Advantage choices? Will there be marketing guardrails where a parent entity is marketing its Geo DCE and Medicare Advantage plans in the same market? Have training materials been drafted to ensure that brokers and agents in Geo regions can accurately respond to beneficiary questions about the Geo demo?

As our organizations have witnessed, rushed implementation of any new program can lead to confusion for both consumers and providers, up to and including serious problems with access to care. For these reasons, we respectfully request that the Biden Administration pause implementation of the Geo demo until, at the very least, these issues and questions have been resolved.

Sincerely,

Aging Life Care Association
Center for Medicare Advocacy
Justice in Aging
Medicare Rights Center
National Adult Day Services Association (NADSA)
National Association of Social Workers (NASW)
National Council on Aging (NCOA)

Cc: House Ways & Means Committee
House Energy & Commerce Committee
Senate Finance Committee