

Rep. Paulsen Testimony

Energy and Commerce Health Subcommittee

March 13, 2014

Chairman Pitts, Ranking Member Pallone; I want to thank you for holding this hearing today to ensure that our seniors and their Medicare Advantage (MA) plans are protected from unnecessary cuts.

I have received many calls and emails the last two weeks from seniors in my district. They are concerned about the cuts to the Medicare Advantage program and fear the impact it could have on their healthcare plans.

The Medicare Advantage program is a resounding success in providing coordinated care for seniors with better quality, more choices, and greater savings for millions of Americans. Over 175,000 seniors in Minnesota are enrolled in an MA plan, including more than 50,000 in my Congressional district. More than half of Medicare eligible seniors in my district have opted to enroll in MA plans, rather than the traditional fee-for-service system.

Nationwide, millions of Medicare beneficiaries have chosen a Medicare Advantage plan, because they value access to better quality of care, innovative services, and additional benefits. The MA program enjoys high patient satisfaction and will reduce the cost of Medicare in the long run by providing evidence-based, coordinated care for our seniors.

Unfortunately, the future viability of the MA program is at risk. The MA program is facing Obamacare-mandated payment cuts, the Health Insurance Tax, and the Coding Intensity cut in the Fiscal Cliff deal. The latest threat is the 12% in regulatory cuts that have been proposed the last two years, including a 6% cut to plans this year.

Seniors in my district could pay as much as \$900 more per year as a result of these cuts. Many might lose benefits, and some could lose their plan completely.

The administration is also attacking Medicare Advantage's innovative delivery system reforms, like In Home Risk Assessments, that have been absent in fee-for-service. Home Risk Assessments are clinical encounters in a beneficiary's home designed to prevent, detect, and treat chronic diseases to reduce hospital admissions, decrease readmissions, and improve the overall quality of life for seniors.

Instead of increasing costs for seniors and hindering plans' ability to utilize innovative models of care, Congress should provide more flexibility to plans and make it easier for seniors to participate in MA like plans.

That is why I am authoring legislation to allow Medicare beneficiaries to contribute their own money to their Medicare Savings Accounts (MSAs). Medical Savings Accounts are health

savings accounts for Medicare Advantage plans. They allow seniors to utilize money in the accounts to pay for health care costs, including some costs that aren't covered by Medicare. Right now, seniors can't contribute their own money to their MSA like they can to a Health Savings Account. By giving seniors more flexibility with these accounts, we will empower them to take charge of their own healthcare decisions. This will strengthen the Medicare Advantage program and reduce healthcare costs for seniors and the system in the long-term.

I encourage the Committee to take a look at my legislation and bring it up for consideration.

Thankfully, there is hope that we can avoid these additional cuts to Medicare Advantage. 196 members of both parties, including myself, yesterday sent a letter to the administration opposing the proposed cuts. We must protect our seniors and their healthcare plans by opposing these cuts.

I sincerely appreciate the opportunity to testify, and commend the Committee for their work to protect seniors in Minnesota and throughout the country.