

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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SPEECH

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**SPEECH: Remarks by Administrator Seema Verma at the
Medicare Advantage and Prescription Drug Plan Spring Conference
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Welcome to CMS and thanks for joining us today, as we look ahead to 2019 for the Medicare Advantage and Part D programs. It's a pleasure to be here with you and to provide an update on all that we have been doing to strengthen and improve these important programs for our nation's seniors and the disabled.

As you know, Medicare Advantage is playing an ever-increasing and important role in delivering high-quality and cost-effective care to Medicare beneficiaries. Enrollment in Medicare Advantage has more than doubled from 13% of all Medicare beneficiaries in 2005 to 33% in 2017. Part D plans have been stable in recent years and are **actually lower** this year than they were last year. In fact total government spending on Part D has been far lower than was originally expected. --- I'm also proud to note that we have already finalized many important changes for both Part D and Medicare Advantage that will help lower the costs of prescription drugs even more for beneficiaries.

During my tenure at CMS, I have been impressed by the level of private sector innovation and creativity that plans have brought to our beneficiaries and I know this personally because both my parents are enrolled in a Medicare Advantage plan, and they can't stop talking about them. Today, I want to take some time to review all of the important steps CMS is taking to support Medicare Advantage, Part D, and empower our beneficiaries. This year, CMS launched a Coverage Wizard to help people learn about their options. CMS is undertaking several consumer-friendly improvements for Medicare Open Enrollment so that people with Medicare can make an informed choice between Original Medicare and Medicare Advantage. Some of the improvements include changes in the Medicare handbook to help beneficiaries understand their coverage options.

The handbook is now designed to clearly highlight the benefits of joining a Medicare Advantage plan, such as protection from high out of pocket expenses and access to important additional benefits.

And establishing a help wizard on Medicare.gov website will better point to resources to help beneficiaries make informed healthcare coverage decisions.

For this open enrollment CMS will be offering new tools and features to help people with Medicare including:

- A stand alone, mobile optimized out of pocket cost calculator which will provide information on both overall costs and specific prescription drugs
- An improved coverage wizard which will integrate the out of pocket costs to help beneficiaries compare options at a deeper level including cost as a way to decide if Original Medicare or MA is right for them
- A simplified log in for the Medicare Plan Finder tool using their online account (instead of the current cumbersome process of entering 5 pieces of information to authenticate)
- We will be piloting webchat for a portion of users within the Medicare Plan Finder (this has been requested by many advocates)
- Several new updates based on consumer testing to the Medicare&You Handbook – including checklists and flowcharts to simplify decision making

For all of our beneficiaries, it is critical that we unleash the potential of Medicare Advantage and Part D, so we at CMS have been listening to providers, plans, and other stakeholders about their experiences with the program.

One thing we have heard time and time again is that unnecessary administrative burden is contributing to rising costs as well as taking focus away from taking care of patients. Overregulation is something that has been happening for years all over the federal government, and to combat this the President Issued an Executive Order that directs federal agencies to “cut red tape” to reduce burdensome regulations. Following his leadership, we have launched our own initiative we call “Patients over Paperwork” -- to reduce burden.

Patients over Paperwork brought changes to Medicare Advantage and Part D. Our changes for 2019 include significant new flexibility for offerings to Medicare Advantage beneficiaries. **For the first time ever**, Medicare Advantage beneficiaries can access **significant** new flexibility for additional benefits that can help them live healthier, more independent lives. These plans can offer benefits that compensate for physical impairments, diminish the impact of injuries or health conditions, or reduce avoidable emergency room utilization. This means Medicare Advantage beneficiaries will be provided adult day care services, respite care for caregivers, and in-home assistance with activities like dressing, bathing and managing medications. Additionally, Medicare Advantage beneficiaries will have access to safety devices to better prevent injury in the

home, including stair rails, grab bars, and temporary mobility ramps. This will dramatically help any person or family members in this situation.

Beneficiaries will also have tailored plans that better meet their needs. Plans will be able to improve care and outcomes for beneficiaries by reducing cost sharing for certain benefits, offering different deductibles, and offering supplemental benefits that are tailored to specific conditions.

We are also looking forward to 2020, when plans and providers will have even more flexibility on how to deliver care with the implementation of the Bipartisan Budget Act provision that allows telehealth services to be provided as a basic benefit in Medicare Advantage.

Our final rule also makes common-sense changes that allow electronic delivery of certain bulky documents if beneficiaries choose to receive information digitally. As a new generation come into the program who are may be more accustomed to working with digital files, it just makes sense that we allow them to be in the driver's seat regarding how they receive information. But of course, paper documents will still be available for those who prefer it.

And finally, we improved transparency in our Star Ratings to provide you with more information about what we're measuring each year and why. Historically, we have announced star ratings changes through the Call Letter. We know there is a need for greater transparency in our decision-making. And in response, we codified the framework for the star ratings in the 2019 regulation which will provide greater lead time to tailor your efforts to improve quality.

Additionally, these changes will give beneficiaries more reliable information about each plan quality by giving greater weight to patient experience and access measures, so beneficiaries have the information they need to choose a plan that's right for them.

There has been a lot of discussion on drug pricing and President Trump and Secretary Azar have made lowering drug prices a major priority, and at CMS we are following their leadership to deliver results for our beneficiaries. With the Part D policies that we finalized for 2019 and published last month, we are making lower-cost generic drugs available to beneficiaries regardless of when the drugs became available, meaning that beneficiaries can realize these savings *without* having to wait for another enrollment period.

We also made it easier for low-income beneficiaries by lowering the maximum amount they pay for certain innovative medicines, making sure that the latest drugs are available to all. Specifically, we have reduced the maximum amount that low-income beneficiaries pay for new medicines known as "biosimilars." In addition to reducing costs for beneficiaries, this policy alone is expected to generate savings to the Medicare program of \$10 million in 2019.

And finally, by removing unnecessary requirements that certain Part D plans be different from each other, plans have the flexibility they need to give patients more choice.

Another key priority for the President, Secretary Azar, and myself is to move our healthcare system from one that pays for procedures and sickness to one that is value-based — one that rewards outcomes over mere volume.

But we know we can't achieve value-based care until we put the patient in the driver's seat of our healthcare system. And that requires empowering patients with the data they need to make informed decisions as healthcare consumers. Ultimately, the cornerstone of a patient centered system is data – quality data, cost data, and a patient's own data.

As this Administration drives toward building a value-based health care system, we understand the vital role that digital data will play. And let me tell you about what we've already done to increase, improve, and allow greater access to data; and how we are reshaping CMS's vision for the future, while continuing to ensure data security and privacy.

As you may have heard, this administration launched the MyHealthEData Initiative. MyHealthEData is a government-wide initiative that breaks down the *barriers that contribute* to preventing patients from being able to access and control their medical records. MyHealthEData makes it clear that patients should have the ability to share their data with whomever they want, making the patient the center of our health care system. Patients need to be able to control their information and know that it's secure and private. Having access to their medical information will help them make decisions about their care, and have a better understanding of their health.

MyHealthEData will unleash data to trigger innovation, and advance research to cure diseases and provide more evidence-based treatment guidelines that ultimately will drive down costs and improve health outcomes.

Imagine a world in which your health data follows you wherever you go and you can share it with your doctor, all at the push of a button. Imagine if you could track your medical history from your birth throughout your life, aggregating information from each health visit, your claims data, and the health information created every second through wearable technology.

Imagine if our health records weren't just used by our doctors in their workflow, but rather if EHRs allowed third-party applications to access and leverage that data in innovative ways for both the patient and doctor. Imagine if patients could authorize access to their records to researchers from all over the country who could not only develop specific treatments for their needs, but the researchers could also use that information to develop cures that could save millions of lives. This is our vision at CMS, and why we're so committed to the goals of MyHealthEData.

You may have also heard about another action that we took for the Medicare population. Through Blue Button 2.0, we are providing beneficiaries in FFS Medicare with the ability to connect their claims data to third party applications, services, and research programs. CMS's Blue Button 2.0 is now in production and at last count there were over 200 innovative developers experimenting with the API. I encourage you to attend today's special break-out session to learn more about we are doing to help beneficiaries access and use their data.

I have encouraged the healthcare industry to embrace the notion that patients must have ready access to their health records. I have now repeatedly called on all insurers, including Medicare Advantage plans, to do what we've done and give patients their claims data electronically.

In 2019, in the Call Letter, we **strongly** encouraged and are considering rulemaking to require Medicare Advantage to adopt data release platforms

What we've undertaken at CMS are great steps—but they are steps to build on, and not to rest on. That's why CMS is undertaking a new strategy that recognizes that we need better data. I call it "Data Driven Patient Care." This strategy is based on the understanding that data doesn't mean anything unless it's accessible and usable, and that making strides with data is key to moving towards value.

Our Data Driven Patient Care strategy will help ensure that CMS can be an industry leader in unleashing the power of data to drive system transformation—enhancing efficiency, improving quality, and reducing cost.

The strategy is based on three cornerstones:

- Putting patients first
- Increasing the amount of available data
- And taking an API-first approach for sharing data.

I'd like to discuss with you some of the steps we're taking to make our strategy a reality.

First, we're very excited about expanding the data we make available to researchers in our Virtual Research Data Center.

As you're probably aware, CMS has a large amount of data on our current 130 million beneficiaries and our previous enrollees. The VRDC provides timely access to CMS program data—including Medicare fee-for-service claims data—in an efficient, secure, and cost-effective manner. If you've seen a study that references Medicare data, it probably came from an analysis of data in the VRDC.

Researchers have direct access to approved privacy-protected data files, and they're able to conduct their analyses within a CMS environment that is safe and secure.

I recently announced that, for the very first time, we'll be releasing Medicare Advantage encounter data to researchers.

And we recognize that Medicare Advantage data is not perfect, but we have determined that the quality of the available Medicare data is adequate to support research. And although this is our first release, going forward, we plan to make this data available annually.

And we're not stopping with Medicare Advantage data. Next year, we expect to make the Medicaid and Children's Health Insurance Program data available. This means researchers will have access to data on another 70 million patients, which represent a ***different*** profile as compared to Medicare.

Of course, we recognize that across all of our efforts, we have to look at privacy at the front end and ensure informed consent. Patients must always be aware of how their data is being used and shared. Americans demand this of us. And in response, we'll be strengthening controls around access to all data.

Medicare Advantage and Part D have never been more popular, proving the value of providing our beneficiaries with choice. We plan to unleash the potential of these programs to the best of our abilities. The popularity of these programs and with the various new flexibilities and burden reduction changes that have been adopted, we expect plan choices to be even more robust in 2019.

I thank you for all the hard work you do and hope you enjoy the rest of this afternoon's session. I look forward to continuing our strong partnership.

Thank you.

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