

**Johnson, Sharon B. (CMS/OSORA)**

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**From:** Braxton, Shawn L. (CMS/OSORA)  
**Sent:** Thursday, October 12, 2006 5:18 PM  
**To:** Johnson, Sharon B. (CMS/OSORA)  
**Subject:** FW: Public Submission

**Attachments:** C:\\Documents and Settings\\anupa.mandava\\Desktop\\anupa.comments.cms.doc



anupa.comments.c  
ms.doc (24 KB)...

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>-----Original Message-----

>From: Whitcraft, Rosie [mailto:rosie.whitcraft@fda.hhs.gov]  
>Sent: Thursday, October 12, 2006 3:38 PM  
>To: Braxton, Shawn L. (CMS/OSORA)  
>Cc: Jones, Martique S. (CMS/OSORA)  
>Subject: FW: Public Submission

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>  
>

>-----Original Message-----

>From: no-reply@erulemaking.net [mailto:no-reply@erulemaking.net]  
>Sent: Thursday, October 12, 2006 3:03 PM  
>To: OC AIMS Support  
>Subject: Public Submission

>  
>Please Do Not Reply This Email.

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>Public Comments on Medicare Program; Prohibition of Midyear Benefit  
>Enhancements for Medicare Advantage Organizations Offering Plans in  
>Calendar Year 2007 and Subsequent Calendar Years:=====

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>Title: Medicare Program; Prohibition of Midyear Benefit Enhancements  
>for Medicare Advantage Organizations Offering Plans in Calendar Year  
>2007 and Subsequent Calendar Years FR Document Number: 06-07394 Legacy  
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>Comment Info: =====

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>General Comment:File code CMS-4121-P

**File code CMS-4121-P**

**“Medicare Program; Prohibition of Midyear Benefit Enhancements for Medicare Advantage Organizations Offering Plans in Calendar Year 2007 and Subsequent Calendar Years.”**

**Comment:** This rule is prohibiting Medicare Advantage Organizations from making midyear changes to non drug benefits, premiums and cost sharing. This may cause Employer health group plans to lose the Medicare benefits and to improve the cost effectiveness and access to health care by all employers. But the overall health care costs can be reduced. This rule is not included for Programs of all-inclusive care for elderly (PACE). So this is a real advantage to the elderly population who is in real need of health care and for whom the health care costs thus matter a lot as they cannot afford higher health care costs much.



**Teena Ballard Keiser,**  
Director of Regulatory Affairs  
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Teena\_Keiser@uhc.com

To: Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-4121-P, Mail Stop C4-26-05,  
7500 Security Boulevard, Baltimore, MD 21244-1850.

From: Teena Ballard Keiser, Director of Regulatory Affairs

Date: October 31, 2006

Re: File Code CMS-4121-P: Prohibition of Midyear Benefit Enhancements for Medicare Advantage Organizations Offering Plans in Calendar Year 2007 and Subsequent Calendar Years - Comment

Attached is the comment letter regarding the above named open comment period. Attempts were made to submit the comments via the eRulemaking website at approximately 4 p.m., EST, Tuesday, October 31, 2006. The deadline as stated in the Federal Register was 5 p.m. EST.

Since attempts were made to submit the comments prior to the end of the comment period via the eRulemaking website which did not contain the docket number and did not allow for comment submission prior to the deadline, we are requesting that you consider the comments attached. We appreciate your consideration in the matter.

Sincerely,

Teena Ballard Keiser  
Director of Regulatory Affairs



**Teena Ballard Keiser,**  
Director of Regulatory Affairs  
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Teena\_Keiser@uhc.com

To: Submitted electronically to: <http://www.cms.hhs.gov/eRulemaking>

From: Teena Ballard Keiser, Director of Regulatory Affairs

Date: October 31, 2006

Re: File Code CMS-4121-P: Prohibition of Midyear Benefit Enhancements for Medicare Advantage Organizations Offering Plans in Calendar Year 2007 and Subsequent Calendar Years - Comment

We have reviewed the proposed Prohibition of Midyear Benefit Enhancements for Medicare Advantage Organizations Offering Plans in Calendar Year 2007 and Subsequent Calendar Years released by CMS on September 1, 2006 for public comment. Our comments are provided on behalf of Ovations and other UnitedHealth Group affiliates that manage Medicare Advantage business (collectively "United"). Please note that, for the purposes of this letter, "United" includes the Ovations business units that manage the combined PacifiCare, John Deere and Ovations legacy Medicare Advantage business.

Our specific comments and recommendations are as stated immediately below.

**Provisions of the Proposed Rule**

The Centers for Medicare & Medicaid Services (CMS) modified the policy regarding midyear benefit enhancements in the Final Rule published January 28, 2006 stating that this policy would be an "interim policy" for the "initial years" of the competitive bidding system. It was also stated that CMS would review "whether there was a continuing need for this policy." As a result of the review, CMS concluded that continuing the midyear benefit enhancements would threaten the integrity of the program. We believe this conclusion was made too early in the transition to the competitive bidding system.

We recommend that the midyear benefit policy be extended by at least one year. One year of bidding is insufficient experience in the new bidding system and does not constitute a sufficient transition timeframe for the industry to learn, and become adept or competitive in, the bidding system. As a result of this inexperience, plans may have a legitimate need to use a midyear benefit enhancement. Instead of threatening the

integrity of the program, an additional year would provide further experience and result in more competitive bidding, further driving down costs.

CMS admits in the proposed rule that it is “too early to quantify the percentage of plans that would use MYBEs to bolster plans later in the year”, recognizing that there is insufficient data or experience with the bidding system to measure the effectiveness of the system after only one year. We agree. CMS goes on to state that the primary goal going forward is to ensure plans compete on a level playing field and that beneficiaries gain in terms of cost, plan choices, and generosity of benefits. By allowing at least one more year to gain experience in the bidding system while allowing the midyear enhancements, we believe we can help CMS and the industry achieve this goal.

We greatly appreciate the opportunity to comment, and we look forward to continuing to work with CMS to develop successful products and services for Medicare beneficiaries. If you have any questions or concerns on our comments, please contact me at 507/663-1844 or via email [teena\\_keiser@uhc.com](mailto:teena_keiser@uhc.com).

Sincerely,

A handwritten signature in black ink that reads "Teena Ballard Keiser". The signature is written in a cursive, flowing style.

Teena Ballard Keiser  
Director of Regulatory Affairs