

HEALTH SERVICE SYSTEM
CITY & COUNTY OF SAN FRANCISCO

March 4, 2016

Secretary Burwell
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Mr. Andrew Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Burwell and Acting Administrator Slavitt,

On behalf of the San Francisco Health Service System (SF HSS) which provides coverage for more than 26,000 Medicare retirees from the City and County, the School District, the Community College District and the Superior Courts, I write to strongly oppose proposed decreases in funding of the Employer-Group Waiver Plans (EGWPs). All but a small percentage of HSS retirees have coverage through Medicare Advantage Plans and are benefitting from the EGWP program. Our PPO Medicare members also benefit from an EGWP program. SFHSS was an early adopter of the EGWP program because it provides coordinated pharmacy coverage which improved the quality of care. The formulary for EGWP protects against use of medications not recommended for older people. We rely on the EGWP plans to provide a seamless transition from employee to retiree health insurance. On the administrative side for both employers and for CMS, it eliminates a cumbersome reimbursement process.

Medicare Advantage reimbursement from CMS has not kept pace with the medical cost of inflation. The increasing pharma costs due to specialty drug approvals are making it difficult to maintain retiree benefits and this proposed payment change for EGWP plans will most certainly have a negative effect on HSS retirees and retirees across the nation. As you may know the San Francisco Bay Area is one of the most expensive places to live in the country, our retirees have spent their lives here. Adding higher copays to pay for the EGWP decrease, will most certainly be a burden for retirees on fixed incomes. I strongly urge you to reconsider this policy that could result in a payment reduction for the population that relies on medications the most.

Thank you for your consideration. I am happy to provide additional information

Sincerely,



Catherine J. Dodd RN, PhD
Director, San Francisco
Health Service System

