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March 28, 2016

The Honorable Sylvia Matthews Burwell  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Secretary Burwell:

We are writing regarding our strong concern about a provision in the recently released 2017 Advance Notice and Call Letter for the Medicare Advantage (MA) and Part D Prescription Drug programs. The provision regarding Employee Group Waiver Plans (EGWPs) has the potential to raise premiums and reduce benefits for over three million retirees who are among the remaining Americans who have retiree health benefits.

AARP, with its nearly 38 million members in all 50 States and the District of Columbia, Puerto Rico, and U.S. Virgin Islands, is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

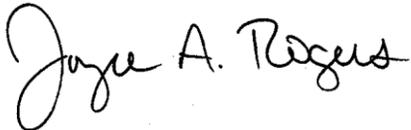
According to a Kaiser Family Foundation report, while the number of large firms offering retiree plans has dropped from 66 percent in 1988 to 28 percent in 2013, the number of those Medicare beneficiaries with retiree health benefits offered via Medicare Advantage group plans increased between 2008 and 2013 by more than 30 percent. Today, it is estimated there are 3.3 million Americans enrolled in an EGWP.

We are concerned about the potential beneficiary impact of this proposal. In fact, CMS acknowledges that the result could be "...that employers would choose to reduce the supplemental coverage provided to employees under these plans." If finalized, we agree that this proposal would likely reduce coverage or increase premiums. This would result in a significant cost-shift to retirees who depend on these plans to help pay for their health care.

AARP has long believed good public policy should provide employers with incentives to maintain and safeguard promised retirement health benefits, not to simply shift costs on to Medicare beneficiaries. For these reasons and more, AARP strongly urges CMS to reconsider this proposal.

If you have further questions, please contact Andrew Schwab on our Government Affairs team at 202-434-3770 or [aschwab@aarp.org](mailto:aschwab@aarp.org).

Sincerely,

A handwritten signature in black ink that reads "Joyce A. Rogers". The signature is written in a cursive, flowing style.

Joyce A. Rogers  
Senior Vice President  
Government Affairs

Cc: Jeanne Lambrew