

United States Senate

SPECIAL COMMITTEE ON AGING
WASHINGTON, DC 20510-6400
(202) 224-5364

May 26, 2015

The Honorable 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 Administrator Slavitt,

I am writing regarding reports of fraud and abuse related to privately run Medicare plans, also known as Medicare Advantage plans.

In recent weeks, my office has been made aware of allegations of billing abuse by Medicare Advantage plans that inflate Medicare risk scores. Medicare Advantage plans, run through approved private insurance companies, offer an alternative to the traditional Medicare program for seniors. The Centers for Medicare & Medicaid Services (CMS) pay these plans a set fee per month, per patient that is based on a formula known as a risk score. Risk scores measure the state of the beneficiary's health, and the fee that CMS pays the beneficiary's Medicare Advantage plan is set accordingly. Therefore, CMS pays higher fees to Medicare Advantage plans that cover sicker beneficiaries than those that cover beneficiaries in better health.

There is evidence that Medicare Advantage plans have been inflating risk scores in order to reap more money from the Medicare Trust Funds. Federal court records show that since 2010, there have been at least six whistleblower lawsuits alleging that Medicare Advantage plans inflated risk scores.¹ I find this extremely troubling as over 15 million Americans, about 30% of the total Medicare population, are enrolled in Medicare Advantage plans and in Fiscal Year 2014 alone, the Government Accountability Office reported that more than \$12 billion in improper payments were made to Medicare Advantage plans.^{2,3} With fraudulently inflated risk scores potentially costing taxpayers billions of dollars every year and resulting in less money in the Medicare Trust Funds for our seniors, this is an issue that must be investigated further.

As part of my ongoing work to ensure that Medicare beneficiaries receive high quality health care and that taxpayer dollars are spent wisely, I therefore request a briefing for my staff

¹ *More Whistleblowers Say Health Plans Are Gouging Medicare*, National Public Radio (April 23, 2015)

² Medicare Advantage Fact Sheet, Henry J. Kaiser Family Foundation (May 1, 2014)

³ Government Accountability Office, *Testimony before the Senate Committee on the Budget* (March 4, 2015) (GAO-15-4410T)

about what CMS is doing to address the issue of inflated risk scores. I request that this briefing take place on or before June 12, 2015.

Thank you for your attention to this important matter. Please contact Cathy Yu on the Aging Committee staff at (202) 224-7752 with any questions.

Sincerely,

A handwritten signature in blue ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" being the most prominent.

Claire McCaskill
Ranking Member

cc: Susan Collins
Chairman