METHODIST
RETIREMENT COMMUNITIES

Affiliated Communities

CORNERSTONE
4100 Moores Ln.
Texarkana, Texas 75503

CREEKSIDE
1433 Veterans Memorial Pkwy.
Huntsville, Texas 77340

CRESTVIEW
2505 E. Villa Maria Rd.
Bryan, Texas 77802

PINECREST
1302 Tom Temple Dr.
Lufkin, Texas 75904

THE CROSSINGS
2700 Marina Bay Dr.
League City, TX 77573

THE LANGFORD
Under development
College Station, TX

Affordable Housing

BAYVIEW
1111 Bayshore Dr.
LaPorte, Texas 77571

CRESTVIEW TERRACE
2501 E. Villa Maria Rd.
Bryan, Texas 77802

CRESTVIEW PLACE
2503 E. Villa Maria Rd.
Bryan, Texas 77802

UNITY
2507 E. Villa Maria Rd.
Bryan, Texas 77802

OAKVIEW
900 Parkway
LaPorte, Texas 77571

The Honorable Orrin Hatch
The Honorable Ron Wyden
The Honorable Johnny Isakson
The Honorable Mark Warner

United States Senate
Committee on Finance
Washington, DC 20101

January 26, 2016

SUBJECT: PLEASE ADD GRASSLEY BILL S395 TO CHRONIC CARE PACKAGE

Dear Members of the Chronic Care Working Group:

On behalf of the residents and employees of Methodist Retirement Communities of Texas, a network of 10 retirement communities in seven Texas cities serving over 1500 residents annually, I am writing to thank you for your focus on disease management and chronic care in the recent report of the Senate Finance Committee.

Seniors need more than just a Medicare card to navigate the complexities of today's health care delivery system. Congress can and should modernize Medicare to include the care coordination and disease management services that will improve care, lower costs, and allow seniors to access care in the least acute and most convenient setting.

In keeping with the reform concepts on pages 10-14 of your report, millions of American seniors could benefit from living in senior living communities providing comprehensive care coordination by on-site primary care teams to regularly and conveniently assist beneficiaries in monitoring and improving key chronic care metrics related to their individual health, thereby significantly lowering overall Medicare costs.

Access to on-site interdisciplinary teams could help guide these seniors on an optimal care track (rather than waiting for acute intervention) to promote better individual health outcomes across a range of chronic conditions. Incentivizing these on-site care teams to focus exclusively on the enrolled residents may also promote longitudinal improvements in population health for the frail elderly who choose to reside in these communities.

The benefits of 24/7 access to residential primary care teams is out-of-reach for virtually all Medicare seniors. But especially for the frail elderly, senior living communities offer a unique combination of health care providers and facilities which, combined with a primary care team, could substantially reduce overall Medicare costs for this population

while dramatically reducing barriers to primary and preventive care.

Since 2005, CMS has run a Senior Housing Facility MA program to allow senior living communities to operate a Medicare Advantage plan exclusively for their residents. In 2008, a report commissioned by CMS stated, "residents were very satisfied with the quality of care…" and, "transportation to medical appointments with off-site specialists and the on-site medical service(s) were the most frequently mentioned benefits". [1]

In 2010, Congress made this program permanent in Sec. 3208 of PPACA – but only for the single corporation involved in the demo. The more than 10-years of successful operational experience of this model proves its commercial viability and appeal to beneficiaries.

Despite the powerful potential for this model to drive dramatic improvements in individual and population health under current law, CMS lacks the programmatic authority to develop/ negotiate outcomes goals with providers under this program.

Similarly, although CMS data suggests that this model could be useful in lowering overall Medicare costs for these residents (because of the all-inclusive service structure of a CCRC versus the fee-for-service structure of traditional Medicare) CMS would need additional direction from Congress to use this model as vehicle for cost reduction in Medicare.

Therefore, S. 395/H.R.837 sponsored by Senator Grassley would allow CMS to:

- select additional providers to participate in this successful model,
- negotiate meaningful population health goals with providers in this program,
- create a new payment model to promote savings in Medicare and Medicaid

As the Chronic Care Working Group of the Senate Finance Committee explores ways to improve and incentivize coordinated chronic care in Medicare, S. 395/H.R.837 should be included in the discussion. I look forward to working with you to achieve the goals of the Chronic Care Working Group.

Sincerely,

Ronald E. Jennette
President & CEO
MRC & Affiliates

[1] https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Reports/downloads/ptaszek-2008.pdf