



Keynote Address

Demetrios, Kouzoukas, CMS

Stacey Plizga: So I'm excited to introduce our keynote speaker for today. The Principal Deputy Administrator and Director for the Center for Medicare. Please help me welcome Demetrios Kouzoukas.

Demetrios Kouzoukas: I guess the emoji are – we'll do the emoji again, but not during the speech.

So, good afternoon. It's great to be with you all here today, both here in room – in the room in person and then also live across the country. I know that we've got always a big turnout, at least for the live stream and also here in the room for these conferences. It's an opportunity for us to share with you some of the newest developments and key points for the Medicare Advantage and Part D programs for the upcoming year.

And I know that you heard from the Administrator this morning. It was – I'm sorry that she couldn't be here in person, but her video remarks, I think, gave you an unambiguous picture of the Administrator's vision for the Medicare Advantage program and Part D program. I'm honored to build on her remarks and describe in greater detail the critical steps that the Administration has taken to modernize Medicare Advantage and to provide new flexibility to meet the needs of patients.

So, in my role here at CMS, I've got a long title, but it really amounts to two things. One is to support the Administrator and her leadership of the

Keynote Address

Demetrios, Kouzoukas, CMS

Agency, particularly with a focus on Medicare and the many changes we are making to the program. These are things I've talked to this group about in the last couple of years in this forum and others. And the second is to lead a talented and hardworking staff that you've had a chance to hear from, I think, and meet as well during this event as well as previous iterations of it. And that team develops policies and manages the operations of the program.

The – the job is really an incredible one, and it's humbling in many ways. And I want to tell you a little bit about why. Maybe just here in the room, can I ask how many of you have a family member or a loved one who is a Medicare beneficiary? Okay. So, for those of you who are watching remotely, every hand in the room went up. And that's what makes this job really important and what makes it really quite a challenge. Not only because the Medicare benefits that we provide are worth \$678 billion to 56.8 million beneficiaries each year, and not only because on the fee-for-service side we process 1.2 billion claims, but because everywhere I go and I ask that question, everyone raises their hand. And, you know, it's one of the principal ways in which people encounter and experience the government is through the eyes of the Medicare program. And it really brings home to me fact that the decisions that we make in this – amongst this team and in this building, and another one over in Washington, D.C., has so many real impacts on all the people that are important to us, in every family, in every household, and in every – really, for everyone in America. So it's critical that we make good decisions and the right decisions, and that we approach it with the level of humility that this responsibility provides.

For me, it's personal. My father dealt with chronic illness as far back as I can remember, and I sometimes joke that the Medicare program has been a member of our family for a long time. So, it's sort of really an odd circumstance of life that I got to now have this opportunity to help lead the program.

Keynote Address

Demetrios, Kouzoukas, CMS

And in carrying out that responsibility, my mind always goes back to all the times when my family encountered a healthcare system that's so complicated, and so often seems to array everything against the patient's wishes and the patient's needs, that difficulty in encountering and dealing with the healthcare system. And this isn't specific to Medicare. It's really just a – a broader statement about the healthcare that we have in America today.

And as we consider how we can make changes to the program, and the system, my mind always goes back to the writings of a judge, actually, in D.C., who wrote, picture a law written by James Joyce and edited by E.E. Cummings, such as the Medicare statute, which has been described as among the most completely impenetrable texts within the human experience. It's – it's certainly a laugh line, but the fact is that we struggle with that law every day. We work within the confines of it quite diligently to make the program as effective as it can be for people and to provide and empower people to make choices for their healthcare.

And as – as we look at the program, and particularly the lens that this Administration is taking to it, what we're focused on is ensuring that we end the sentiment or feeling that people have that the deck is stacked against them, that in a time of personal health crisis, when everything is on the line for patients and their families, in the most vulnerable moments of their lives, that the options for what care they get and how to get it are determined too often by Washington rules, by impenetrable text, and the like. And so that's the spirit which we've taken to make changes to the programs.

We believe that generations of government policy have failed to produce the results that our citizens demand and require. And so we're taking a new approach. And that approach is to put patients in the driver's seat of our healthcare system and equip them with the information and the freedom to determine value for themselves. Medicare Advantage, in particular, provides an ideal vehicle to do this. It offers beneficiaries the

Keynote Address

Demetrios, Kouzoukas, CMS

opportunity to pick from a large selection of plans based on what offers the best value for them.

So, this Administration has taken action to allow plans to compete to offer even greater value for beneficiaries customized to each of their needs. I want to work through a few highlights and examples so you have a clear picture of what we mean at an individual level with regards to the changes we're making.

Example one. At the start of this Administration, I heard a story about a patient which may contain in one situation everything I want to talk to you about. It was a patient who had palsy of some kind. The patient had difficulty opening pill bottles. If she got a new bottle of pills, and there wasn't a caregiver or someone she was seeing that week who could open them for her, and her condition was acute, she couldn't open the new bottle. As a result, she ended up in the emergency room at times. It seemed, though, that there was a solution, an inexpensive pill bottle opener, and with that she could manage to stay out of the hospital. Talked to a plan who wanted to provide the patient with this pill bottle opener to make it easier for the beneficiary to take their medication.

Seems pretty straightforward. But not so fast. When the plan checked with its lawyers, they were told they could not proceed unless they made the tool available to nearly everyone in the plan. The rule stacked the deck against patients. It told patients what my kids' preschool teachers told them: you get what you get and you don't complain.

Any doctor will tell you that each patient is different. Some of them require assistance that's not necessary for others or not as helpful for some. Recognizing this basic fact, we changed our rule so that plans can now provide disease-specific benefits so that beneficiary who needs the extra help from a pill bottle opener can shop for a plan that helps them, and plans can compete for their loyalty by providing tailored benefits.

Another example. This one relates to a situation many of you in the audience might be in. So many of us had the good fortune to be loved

Keynote Address

Demetrios, Kouzoukas, CMS

and cared for by our parents as children. They cared for us when we were ill, they helped us when we were helpless, they taught us how to respect ourselves and our communities. As mom and dad age, maybe both of them rapidly decline at the same time or maybe we lose a parent. And so it comes to pass, if you're in the sandwich generation, that you find your roles reversed and you are taking care of your parents. You wonder how they managed to do it for you. You know they need help, and you're happy to help, but you find they sometimes need more assistance than you are able to offer. You're falling further behind on your daily tasks. If only you could just get an afternoon to catch up or take care of something in your personal life, you can make sure they get the daily care they need to stay at home or avoid a doctor's visit or a hospitalization.

Your parent has Medicare, but the rules of Medicare state Medicare will pay for the hospitalization but not what your parent needs specific to the situation to help them. Here, again, the deck is stacked against people.

We changed that. Medicare Advantage plans are now able to offer respite care to beneficiaries. This means that plans can send a caregiver to tap in for a beleaguered caregiver so they can quickly go back to helping mom or dad.

Example three. Does everyone remember the Apple computer commercials from about ten years ago? The one where there was a hip young dude and then another person that looked maybe like me in a suit? I'm a Mac and I'm a PC. Or maybe you're a little older and you remember the Folgers taste test commercials? Well, we didn't let MA plans run commercials like this. Why? I have a hard time knowing, it makes no sense to me. You see, classic commercials like these help beneficiaries make head-to-head comparisons between their plan options. And if beneficiaries are going to be able to customize their Medicare experience, they need to know what their options are and the benefits and risks associated with those options.

Keynote Address

Demetrios, Kouzoukas, CMS

We made changes to our marketing requirements so that beneficiaries can engage in these head-to-head comparisons and be better informed about the choices they have.

Example four. Consider a beneficiary who ten years ago was very active, but is now home bound due to aging and disease. The transportation benefits that Medicare can offer, but are not available in fee-for-service for Medicare by the way, aren't enough for these beneficiaries to receive the care they need. But telehealth offers a great solution for these beneficiaries. Patients in the private sector can pull out their phones, open an app, and be facetimeing with a doctor in about five minutes. I've done this at home. It was really hard to believe that it was that easy. And I know that for seniors, at times it can be a bit of an extra challenge, but the fact is that as baby boomers are aging in, they have greater facile use of technology.

But for Medicare patients, the deck has been stacked against them. We're changing that. With the help of last – of the last Congress, starting next year, we are removing distance (inaudible) from Medicare Advantage plans to incorporate these services into their benefits. This will help beneficiaries utilize these tools more easily and readily than ever before. Because when patients are in charge, patient-driven care can mean just staying at home and making the care literally drive to you.

We were even able to find ways within the fee-for-service program to make changes within that system so that patients could do something similar with their existing physicians for virtual check ins.

There are countless examples like this throughout the morass of federal laws and regulations and guidances that we're working to streamline and simplify every day. They include new flexibilities to increase access to important supplemental benefits beyond the more common dental and vision, to OTC items, meals, nursing hotlines, transportation, adult daycare services, in-home support services, and so many other innovative benefits, all offered with competition at the same cost as fee-

Keynote Address

Demetrios, Kouzoukas, CMS

for-service Medicare. So far, we've seen many Medicare Advantage plans take advantage of this flexibility in its first year. And the guidance we released this year builds on these changes with additional flexibility for chronically ill patients, so we should see even more choices. Our vision is for plans to be able to design new benefit packages and provide services to keep people healthy and independent. This is one of the most significant changes made to the Medicare program in its history, and it will have a major impact, I'm certain, on improving health outcomes.

I hope the examples I gave you give you a good tour of what we're doing to empower patients by putting them in the driver's seat and using competition to create tangible results for beneficiaries.

Speaking of results, the early results are already in, and it's clear that choice and competition are working. For 2019, CMS estimates the Medicare Advantage monthly premium declined by six percent from 2018. Approximately 83% of MA enrollees have the same or lower premium in 2019. About 26% of enrollees staying in current plans say their premiums decline for 2019.

Beneficiaries are exercising choices. Enrollment in Medicare Advantage is projected to increase by 2.4 million, or by 11-1/2%, from 20.2 million in 2018. Based on projected enrollment, 36.7% of Medicare beneficiaries will be enrolled in MA in 2019.

Ninety-nine percent of Medicare beneficiaries have access to at least one health plan in their area, and all Medicare beneficiaries have access to a standalone prescription drug plan.

The average number of Medicare plan choices per county increased by five plans. Due to new flexibilities available for the first time in 2019, not counting the flexibilities we have implemented for next year, nearly 270 MA plans are provided an estimated one-and-a-half million enrollees new types of supplemental benefits.

Keynote Address

Demetrios, Kouzoukas, CMS

So there we have it. Lower prices. More choices. Growing patient satisfaction. The results speak for themselves. And as much as I'd like to pay homage to the audience, the congratulations and the credit goes not to the government or its plans, but to patients for exercising choice and driving competition.

Administrator Verma has said the solution to our problems is right in front of us, and it's all of us coming together, not relying on the government, to transform our healthcare system to make it more sustainable for today and for future generations.

So, as Administrator Verma said, the answer, I submit, is staring us in the face. It's those loved ones that you thought about when you raised your hand earlier. Those Medicare beneficiaries are driving change through greater choice and competition. All we have to do is provide as many choices as possible to them and get out of the way.

So, thank you for your time, and I hope you enjoy our conference today.

Kaye Rabel: We would like to thank Demetrios for joining us today and sharing those insights and the continued vision.