

March 8, 2022

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, D.C. 20201

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Secretary Becerra and Administrator Brooks-LaSure,

Thank you for your efforts to protect Medicare, a program vitally important to the health and economic security of seniors and people with disabilities. We are writing to express our concern about ACO REACH, a pilot program launched by the Center for Medicare and Medicaid Innovation (CMMI) as a rebranding of the controversial Direct Contracting model. Unfortunately, REACH retains the most dangerous elements of Direct Contracting, and under the guise of promoting equity, provides even more [opportunities](#) for middlemen to [profit](#) at the expense of beneficiaries and the Medicare Trust Fund. If allowed to continue, REACH would completely transform Traditional Medicare by allowing third-party middlemen to manage seniors' care, without seniors' full understanding or consent.

A majority of seniors choose Traditional (fee-for-service) Medicare over Medicare Advantage — the version of Medicare run by commercial insurers — because they value the free choice of health providers and the power to manage their own care. However, millions of seniors who actively chose Traditional Medicare will be automatically enrolled into REACH entities, many of which will likely be run by for-profit businesses, such as commercial insurers, venture capital and private equity investors, and even dialysis centers.

Although REACH middlemen are required to notify seniors of their enrollment, few seniors are likely to understand the implications. Because seniors are automatically enrolled into REACH based upon their relationship with their primary care provider, the only way for a beneficiary to opt out is to change primary care providers, an extremely difficult task for many seniors but especially for those living in rural or other under-served areas. Requiring seniors to change their physicians of choice because of a policy change at CMMI is an undue burden, and does not serve the best interests of the public.

One major concern is that the REACH program's payment model creates dangerous incentives to restrict care. While Traditional Medicare pays doctors and hospitals directly for care, the REACH program pays middlemen a monthly payment to cover a defined portion of each seniors' medical expenses. REACH middlemen participants are then allowed to keep as profit and overhead what they don't pay for in health services, a powerful financial incentive to ration seniors' care.

The REACH payment model not only threatens seniors' care; it would drain Medicare of billions of dollars of needed revenue each year. Traditional Medicare spends 98% of its budget on patient care, but REACH middlemen could spend as little as [60%](#) of Medicare payments on care — keeping up to 40% of revenues for their own profit and overhead.

We are also concerned about the lack of transparency in the REACH program. Under this model, CMMI is empowered to implement REACH across all of Traditional Medicare without any oversight or approval from Congress, without any statutory codification of the program, or without any input from seniors, health advocates, taxpayers, or other stakeholders. In fact, CMMI has publicly stated its intention to move all Traditional Medicare beneficiaries into programs like REACH by the year 2030.

A majority of seniors choose Traditional Medicare because it is simple, efficient, and empowers them to manage their own health. We, the undersigned, urge you to respect seniors' choices and protect Medicare by immediately terminating the Medicare REACH program.

We look forward to your response.

Sincerely,



350 Humboldt
 Action NC
 Affordable Homeless Housing Alternatives
 AFGE Local 1923, AFL-CIO
 AFT-Oregon
 AIT Technical Center
 Akron Chapter of the Democratic Socialists of America
 All Unions Committee for Single Payer Health Care
 American Federation of Musicians, Local 99
 American Medical Student Association
 Arkansas Community Organizations
 AZ Medicare for All Coalition
 Backbone Campaign
 Bay Area Solidarity
 Bernie PDX
 Bethlehem NY Indivisible
 Black Workers for Justice
 California Alliance for Retired Americans
 California Democratic Party Senior Caucus
 California OneCare
 Campaign for NY Health
 Capital District Alliance for Universal Health Care (Albany, NY)
 CCoHOPE Indivisible
 CD-17 Indivisible
 Center for Change Northern Michigan Advocacy
 Center for Health and Democracy
 Center for Popular Democracy
 Central KY Council for Peace & Justice
 Christian Alliance for Peace
 Church Women United of Lane County, Oregon
 Citizen Action of Wisconsin
 Citizen Power, Inc.
 Citizen's Response Network of Wayne County
 Cleveland Jobs with Justice
 Colorado Foundation for Universal Health Care
 Committee of Interns and Residents / SEIU
 Consumers Council of Missouri
 Cornwell Group
 Courage California
 Creative Impression
 Cross-Union Retirees Organizing Committee
 CUFFH Action
 CWA
 DC-37
 Democratic Party of Lane County
 Democratic Progressive Caucus of Florida
 Democratic Socialists of America North Texas
 Democratic Socialists of America - Medicare for All Campaign
 Democratic Socialists of America, Santa Barbara Calif. chapter
 Downtown East for Progress

DSA
 DUH - Demand Universal Healthcare
 East End Action Network
 First United Methodist Church of Eugene
 Flint Rising
 Florida 6th District Healthcare Action Group
 Florida Rising
 Foothills Coalition For Universal Healthcare
 Full Bloom Farm
 Granny Peace Brigade NYC
 Gray Panthers of San Francisco
 Greater Louisville AFL-CIO Retiree Council
 Greater WI Agency on Aging Resources, Inc.
 Green Party of Connecticut
 Green Party of Florida
 Green Party of Santa Clara County
 Harris County Texas Save Medicare Work Group
 HCA/PNHP - Humboldt Chapters
 HCAM - MN
 HCAORV
 Health & Medicine Policy Research Group
 Health Care Caucus of the 34th Legislative District, WA State
 Health Care for All - California
 Health Care for All - Los Angeles Chapter
 Health Care for All - Napa County
 Health Care for All - Washington
 Health Care for All Minnesota
 Health Care for All Oregon
 Health Care for All Oregon - Action
 Health Care for All - South Carolina
 Health Care for All Texas
 Health Care for All - Western North Carolina
 Health Care Justice - NC
 Health Care Justice UNC Charlotte
 Health Policy Advocates, MN
 Healthcare is an Act of Love
 HealthCare Minnesota
 Healthcare-NOW!
 HOPE in the Midwest, Health Over Profit for Everyone
 IEDSA
 Illinois Single-Payer Coalition
 Indivisible
 Indivisible Arcata
 Indivisible Cayuga
 Indivisible Cortland County
 Indivisible Freeport
 Indivisible Mohawk Valley
 Indivisible Nation BK
 Indivisible New Rochelle
 Indivisible Sonoma County

Indivisible WE Rise West Central PA
Indivisible Yorktown
Inland Equity Partnership
International Federation of Professional and Technical Engineers (IFPTE)
Iowa Citizens for Community Improvement
Itasca Working Family Alliance
Jane Addams Senior Caucus
Juneau Commission on Aging
Justice Reform League
Kathryn Pruitt Lab Consulting
Keep The Promise Coalition
Kentuckians For Single Payer Healthcare
Kentucky Alliance for Retired Americans
Kentucky State AFL-CIO
Kroll & Associates Architecture, LLC
KY Alliance Against Racist and Political Repression
Labor Campaign for Single Payer
Larimer County Health Care Action
LINC - Long Island Network for Change
Long Beach Gray Panthers
Louisiana Poor People's Campaign
Maine AllCare
Mamaroneck Indivisible
March for Medicare for All
Medicare for All - Indiana
Medicare For All CT, Inc.
Metro New York Health Care for All
Michigan for Single Payer Healthcare
Mid-Valley Health Care Advocates
Midwives for Universal Healthcare
Milwaukee County Aging and Disability
Mind Matters PC
Minnesota Nurses Association
Minnesota State Retiree Council, AFL-CIO
Missourians for Single Payer
Mountaintop Progressives
National Asian Pacific American Families Against Substance Abuse
National Single Payer
National Union of Healthcare Workers
Natural Healthcare
NC Alliance for Retired Americans
NC Medicare For All Coalition
New Jersey Tenants Organization
NFSP
NJ Universal Health Care Coalition
North Carolina Green Party
North Carolina Medicare For All Coalition
North Carolina Public Service Workers Union/UE Local 150
North Country Fair
North Seattle Progressives
Northfield Area HCA-MN Chapter
Northwest Bronx Indivisible
Northwest Health Law Advocates
Northwest Indiana Medicare for All
Nurses for Single Payer
NY 21 Indivisible Group
NY Indivisible
NYC DSA
Oblong Valley Indivisible
Ohio Alliance for Retired Americans Educational Fund
OK Delaware
Older Women's League - SF
One Payer States
One Queens Indivisible
Operating Engineers
Oregon AFSCME Retirees Subchapter 41
Organizers in the Land of Enchantment (OLÉ)
Our Revolution
Our Revolution Fort Bend County
Our Revolution Essex
Our Revolution Greenville SC
Our Revolution Harris County
Our Revolution Hillsborough
Our Revolution Monmouth
Our Revolution New Jersey
Our Revolution Northern Virginia

Our Revolution Ohio
Our Revolution Somerset County NJ
Our Revolution South Carolina
Our Revolution Trenton Mercer
Partners for Dignity & Rights
PDA Central Florida
PDA of Central New Mexico
People's Action
Pharmacists for Single Payer
Physicians for a National Health Program
Pittsburgh Black Worker Center
Pittsburgh Green New Deal
Pittsburghers for Public Transit
Portland Jobs with Justice
Pravda Counseling
Professional Staff Congress
Progressive Democrats of America
Progressive Maryland
Progressives for Democracy in America CFL Chapter
PSARA (Puget Sound Advocates for Retirement Action)
PSC Cuny
Public Citizen
Putnam Progressives
Queens University of Charlotte Health Care Justice
Ravena-Coeymans-Selkirk Teachers Association
Reachout and Rebuild
RESULTS Houston
Rights & Democracy
RootsAction.org
Sacramento Sierra Digital Arts Studio Partnership
San Francisco Senior & Disability Action
Santa Barbara Chapter of Health Care for All - California
Santa Clara County Single Payer Health Care Coalition
Saratoga Warren Washington Progressive Action
Schaumburg Area Progressives
Seniors Circle of the People's Party
Shawangunk Democratic Committee
Show Up Long Island (SULI)
Shriver Poverty Law Center
Sim Rose Condo Association
Single Payer Action Network Ohio
Social Justice Indivisible
Social Justice Ministry of Live Oak
Students for a National Health Program (SNaHP)
Unitarian Universalist Congregation of Goleta, CA
Social Security Works
Solarpunk Portland
Solidarity Committee - Capital District
Southern Illinois People for Progress
Suffolk Progressives
SUNY Binghamton
Taller Salud
The Fraser Valley chapter of the DSC
The National Retiree Legislative Network
Troy Area Labor Council
U.P. KIDS
UE local 150
Ulster Activists
Una Payer Healthcare
Union Caucus of HCAO
Union County Democratic Central Committee
United Electrical, Radio & Machine Workers of America (UE)
United Vision for Idaho
Upper West Side Indivisible 97th St.
Vermont Health Care for All
Vermont State Labor Council, AFL-CIO
Vermont Workers' Center
Veterans for Peace Chapter 168 Louisville
Village of Interlaken Board of Trustees
Washington CAN
Washington Physicians for Social Responsibility
Western PA Coalition for Single Payer Healthcare
Whole Washington
Wisconsin Faith Voices for Justice
Women's Voices Raised for Social Justice
World Interdependence Fund