December 22, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Administrator Verma:

Earlier this year, the Centers for Medicare & Medicaid Services (CMS) took the first steps toward seeking proposals for the next Contact Center Operations (CCO) contract, which will commence on June 1, 2022. The CCO contract operates 1-800-MEDICARE and the federally facilitated marketplace (FFM) call center (1-800-318-2596), which provide toll-free, nationwide, 24/7 phone services. Together, these call lines (or call centers) serve a combined population of approximately 75 million Americans, and answer inquiries from caregivers, providers, navigators, brokers, and other assisters – making them a critical source of information and enrollment assistance.

The CCO contract has historically been a ten-year, multi-billion dollar contract, and has been held by the same contractor (or its successor) since 2002. Given the importance of these call centers to millions of Medicare beneficiaries and Marketplace consumers, we believe it is critical that the current contracting process enable open and fair competition and encourage proposals that prioritize innovative, best-in-practice solutions, including those drawn from the private sector. Too often, the federal contracting process presents insurmountable barriers to entry for potential partners, to the ultimate detriment of federal programs and the individuals they serve.

We encourage CMS to consider the possible merits of separating the CCO contract into separate contracts to operate 1-800-MEDICARE and the Marketplace call center. The two phone lines serve uniquely different programs and populations, and tools that work to assist beneficiaries of one program may not be well suited to the other. Further, the size and scope of the combined contract may limit competition and inhibit innovation by restricting eligibility to only the country’s largest contractors. Counterintuitively, separating the contract may actually reduce costs and drive greater program efficiencies.

To that end, we would appreciate a response to the following questions to provide clarity from the Department:
1. Has CMS considered the possible advantages and efficiencies that could be gained by separating the CCO contract into a contract to operate 1-800-MEDICARE and a separate contract to operate 1-800-318-2596, the Marketplace phone line?

2. How will CMS foster an open and fair procurement process for the next CCO contract?

3. How does CMS collect and track information on the experience of Medicare beneficiaries and Marketplace consumers accessing the contact center?

4. How will CMS ensure that the next CCO contractor delivers innovation and can improve the contact center experience for both Medicare beneficiaries and Marketplace consumers?

5. How will CMS ensure that the CCO contract review process allows for the adoption of relevant experience and best practices from the private sector?

6. Given the COVID-19 public health emergency and the shift toward remote or virtual call centers, what safeguards has CMS put in place, or will put in place, for the CCO contract to protect beneficiary and consumer information?

Thank you in advance for your consideration of this important matter.

Sincerely,

Ann McLane Kuster
Member of Congress

Diana Degette
Member of Congress

Cc: Demetrios Kouzoukas, Principal Deputy Administrator & Director of the Center for Medicare
Calder Lynch, Acting Deputy Administrator & Chief of Staff, Office of the Administrator
Jeffrey Grant, Deputy Director for Operations, Center for Consumer Information and Insurance Oversight
Mary Wallace, Deputy Director, Office of Communications
Melissa Starinsky, Director, Office of Acquisition and Grants Management