

EXHIBIT N

Brown, Nicole (HHS/ASL)

From: Marton, William (HHS/ASPE)
Sent: Friday, November 27, 2009 1:39 PM
To: 'Anne Tumlinson'
Subject: RE: Modeling Results and Senate Floor Debate

Anne,

With respect to the static data: You might want to show what happens when you change two aspects of the "standard" CLASS benefit, namely, how much moving to a mandatory program reduces the premium, and how having a benefit less than lifetime (e.g., six years) impacts premiums. I suspect that these changes would decrease the premium to well under \$100, which seems to be the consensus threshold needed to get decent participation and avoid catastrophic adverse selection.

Bill

From: Anne Tumlinson [mailto: [REDACTED]]
Sent: Wednesday, November 25, 2009 6:17 PM
To: Wiener, Joshua; Peter Kemper; Marton, William (HHS/ASPE); Drabek, John (HHS/ASPE); John Wilkin; [REDACTED]
Cc: Eric Hammelman
Subject: Modeling Results and Senate Floor Debate

Hello Everyone --- Thanks very, very much to everyone for your support throughout the modeling work. We really appreciate the comments we received so far and understand that at least a couple of you have been traveling so haven't been able to provide comments yet. Based on the review that's occurred so far, we've revised the model and are getting close to feeling pretty comfortable with what it's producing for premiums.

We have two tasks ahead of us over the next week. For the first, we are now trying to get the website up and running for our presentation to the SCAN Board on Monday, December 7th. The model doesn't have to be final, final --- we just need to be able to show how the website will work with an approximation of the outputs. We can finalize everything following that meeting and we'll be interested in getting your comments on the website.

For the second, we've been giving some thought to how the work we've done could be useful in the upcoming Senate floor debate which should start middle of next week. SCAN prefers and we agree that we not release the entire website (if this was even possible) for a lot of reasons. Instead, we have been thinking of releasing a small amount of static data generated by the model. Specifically, we are putting together one graph that shows the relationship between participation rates and premiums for a CLASS-like benefit (\$75/day, voluntary, cash, lifetime, 0 day elimination, no subsidy). In this release, we would not declare our opinion about what the right participation rate is but rather what the premium is when you make rate assumptions other than 6 (CBO) and 2 (OACT).

You might be interested to hear that at 6 percent participation, we are getting a premium very close to CBO's (\$143) but at 2 percent our premium is a bit higher than OACT's (\$180 vs. \$550). The OACT benchmark is not terribly valid since we don't know the benefit level OACT assumed or much else.

We are interested in any thoughts you have about our idea for a release next week. Also, if you want to do some more review of the model, we'd love to have any additional comments you might have specific to the release of this information by Monday at the latest. We'd like to release something before the Senate floor debate starts. Afterwards, there will still be time to review other parts of the model, such as the services benefit and the Medicaid cost savings, although we'll try and wrap everything up as soon as we can following our 12/7 presentation to SCAN.

I can't tell you how much we appreciate your support, both in terms of your time and your encouragement. We will keep you closely informed as this process moves along.

Sincerely,

Anne

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