

BERNARD SANDERS, VERMONT, CHAIR

PATTY MURRAY, WASHINGTON
ROBERT P. CASEY, JR., PENNSYLVANIA
TAMMY BALDWIN, WISCONSIN
CHRISTOPHER MURPHY, CONNECTICUT
TIM Kaine, VIRGINIA
MARGARET WOOD HASSAN, NEW HAMPSHIRE
TINA SMITH, MINNESOTA
BEN RAY LUJAN, NEW MEXICO
JOHN W. HICKENLOOPER, COLORADO
EDWARD J. MARKEY, MASSACHUSETTS

BILL CASSIDY, LOUISIANA
RAND PAUL, KENTUCKY
SUSAN M. COLLINS, MAINE
LISA MURKOWSKI, ALASKA
MIKE BRAUN, INDIANA
ROGER MARSHALL, KANSAS
MITT ROMNEY, UTAH
TOMMY TUBERVILLE, ALABAMA
MARKWAYNE MULLIN, OKLAHOMA
TED BUDD, NORTH CAROLINA

United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

WARREN GUNNELS, MAJORITY STAFF DIRECTOR
AMANDA LINCOLN, REPUBLICAN STAFF DIRECTOR

www.help.senate.gov

September 17, 2024

VIA ELECTRONIC TRANSMISSION

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Becerra:

I write concerning the Centers for Medicare and Medicaid Services' (CMS) decision to rebid the call centers contract for 1-800-MEDICARE and the Affordable Care Act. Private contractor Maximus has run these call centers since 2013, initially as a subcontractor and as prime contractor after 2018.

Capitol Bridge Health Services, a small minority-owned company in Bogalusa, Louisiana, operates the Maximus call center under subcontract. It employs approximately 650 workers and pays more than 250 percent of the minimum wage. These jobs are likely to disappear if Maximus loses the contract.

Maximus was awarded a new, nine-year contract in 2022.¹ Despite some of the highest customer satisfaction scores in the federal government, CMS has decided to solicit a new call center contract only two years into the Maximus contract—this time, requiring a “labor harmony agreement” (LHA).

CMS argues that the decision to rebid the contract is necessary to ensure that labor disputes will not disrupt call-center operations. It is not apparent that LHAs have ever been used in any federal service contracts. Moreover, Maximus has not experienced any work stoppages—only five brief demonstrations since 2018, with participation from fewer than one percent of the Maximus workforce (and some were union-paid employees, or “salts”). Even during the pandemic,

¹ The \$6.6 billion contract is renewable annually for nine years.

hurricanes, and other natural disasters when as many as four locations were closed, there was no deterioration of service to callers.

Given the high consumer ratings of Maximus' performance, it appears that there is no reason to rebid this contract *except* to force unionization on the call-center employees. Seniors and others who depend on the call centers for help with Medicare and health insurance may receive lower levels of service if union demands make call centers less flexible. Taxpayers will bear the costs of rebidding the contract.

Please answer the following questions no later than October 1, 2024:

1. How much will rebidding this contract cost the taxpayers? Please include CMS and other government employees' time.
2. Aside from including a Labor Harmony Agreement, what is the operational justification for rebidding the contract?
3. What is the legal justification for rebidding the contract?
4. Have Labor Harmony Agreements been used in any other federal service contracts?
 - a. If so, please specify and provide the dates of any applicable contracts.
5. The Federal Acquisition Regulation requires the federal government to remain impartial and not intervene in labor-management relations. Please explain how requiring a federal contractor to enter into a Labor Harmony Agreement serves this purpose.
6. The Communications Workers of America (CWA) has been unsuccessful in organizing Maximus call centers despite repeated attempts.
 - a. Has CWA had any communications with CMS concerning Maximus? If so, please provide dates, details of conversations, and copies of written communications.
 - b. Please explain why imposing a Labor Harmony Agreement is necessary to enhance service to seniors and others who rely on the call centers for help with their health care.

Thank you for your attention to this matter.

Sincerely,



Bill Cassidy, M.D.
Ranking Member
Senate Committee on Health, Education,
Labor, and Pensions