



March 23, 2015

The Honorable John Boehner
Speaker, The U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader, The U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker and Leader Pelosi:

On behalf of the Health Data Consortium (HDC), I write today in support of H.R. 1470, the SGR Repeal and Medicare Provider Payment Modernization Act.

HDC is a public-private partnership bringing together key health data stakeholders to promote critical public, commercial and non-profit sector engagement in order to foster innovation, drive down rising health care costs and improve patient outcomes.

Open health data offers a significant opportunity for the U.S. health care system. In 2013, McKinsey & Co. reported that “. . . the use of open and proprietary data in health care could help generate value of \$300 billion to \$450 billion per year in the United States. Most of this value comes in the form of cost savings to providers, payers and patients.”¹ Furthermore, the report noted that open health data could assist pharmaceutical companies, device makers and other health entrepreneurs in making their investments more productive, “saving money and bringing benefits to patients sooner.”²

As you may know, the Qualified Entity (QE) program was created under the Affordable Care Act (ACA) to allow qualified organizations to access and analyze Medicare claims data for purposes of evaluating the performance of providers and suppliers on certain measures including quality, efficiency, effectiveness and use of resources. The subsequent reports from the qualified entities serve as important drivers in improving quality and reducing costs under Medicare. Additionally, the QE program overall provides greater transparency to provider and supplier performance.

However, there are challenges associated with the QE program as it exists in current law. In its current form, the QE program is restrictive in terms of what organizations are allowed to participate in the program, what QEs can do with the data once they receive it and the extent to which QEs can support and sustain their own data infrastructures.

¹ McKinsey & Co. (2012). *Open Data: Unlocking Innovation and Performance with Liquid Information*.

² *Id.*

H.R. 1470 helps alleviate some of these challenges by allowing QEs to conduct non-public analyses and sell these analyses to authorized users for non-public uses—including quality and patient care improvement activities such as new models of care. Additionally, H.R. 1470 allows QEs to provide or sell combined data and provide Medicare claims data to providers, suppliers, medical societies and hospital associations for non-public use.

We also support language in H.R. 1470 that requires the Secretary of HHS to make utilization and payment data for physicians and professionals under Medicare publically available. Today, consumers are having to increasingly pay out-of-pocket for a larger portion of their care.³ However, consumers often run the risk of obtaining care from providers whose costs do not necessarily align with high-quality care because of the lack of transparent information.⁴ Regular releases of these federal data sets will assist consumers by providing access to information previously not available to help them make better informed decisions about their health and health care.

Allowing broader use of Medicare claims data can lead to better access, improved outcomes, greater transparency and lower rising health care costs—goals we should all strive for in health care. H.R. 1470 is a much needed piece of legislation and we urge support and passage of this bill.

Sincerely,

A handwritten signature in black ink that reads "Christopher Boone". The signature is fluid and cursive, with a large initial "C" and "B".

Dr. Christopher Boone, PhD, FACHE
Executive Director
Health Data Consortium

³ U.S. Government Accountability Office. (2014 October). *Health Care Transparency: Actions Needed to Improve Cost and Quality Information for Consumers*. (Publication No: GAO-15-11).

<http://www.gao.gov/assets/670/666572.pdf>

⁴ Id.