



March 25, 2015

The United States House of Representatives
U.S. Capitol
Washington, DC 20015

Dear Members of the House of Representatives:

The National Coalition on Health Care (NCHC) is a coalition of more than 80 member organizations—representing health care providers, purchasers, payers, and consumers—committed to promoting an affordable, high-quality health system in the United States.

I write today to urge House passage of H.R. 2, the *Medicare Access and CHIP Reauthorization Act of 2015*. This legislation is far from perfect, but Speaker Boehner and Leader Pelosi have crafted a compromise that can make health care more affordable—for families and the country as a whole. I urge you to act this week to strengthen Medicare and finally consign the Sustainable Growth Rate (SGR) to the history books.

Since the SGR's establishment, its ill-conceived approach to containing physician costs has repeatedly threatened to disrupt access to care. After 18 consecutive short-term "doc fixes" spanning more than a decade, seniors and disabled Americans who depend on Medicare should not have to face this threat again. But it is just as critical that Congress use this opportunity to address the threat that a volume-centric physician payment system poses to the affordability of health care. That is, in fact, what the *Medicare Access and CHIP Reauthorization Act* accomplishes.

H.R. 2 would enact the February 2014 agreement between the bipartisan leadership of the Senate Finance Committee, the House Ways and Means Committee, and the House Energy and Commerce Committee. It establishes a streamlined Merit-Based Incentive Payment System for physicians and other health professionals, rewards care coordination for chronically ill beneficiaries, and creates new incentives for clinicians to embrace alternative payment models. The legislation also includes important health care transparency initiatives which strengthen the Medicare Qualified Entity (QE) program and improve Physician Compare. These provisions will help more Americans know exactly what they are paying for at the hospital and doctor's office.

Taken together, the payment reform and transparency measures that comprise the core of this bill are a victory for the long-term affordability of health care. These reforms will help align Medicare's policies with the best transparency and payment innovations in the private sector and elsewhere. Their enactment will send an important signal that the transformation from a health care system driven by volume to one centered on value and outcomes is here to stay.

H.R. 2 also includes several other NCHC-supported provisions that improve affordability for vulnerable populations. The legislation would

- Provide a clean two-year extension of the current-law Children's Health Insurance Program (CHIP);
- Enable Community Health Centers to continue providing high-value care in medically underserved areas for an additional two years; and
- Make permanent the Qualified Individual Program, which provides premium assistance for low-income Medicare enrollees, and the Transitional Medical Assistance Program, which allows short-term coverage continuation for those transitioning from welfare to work.

Finally, the bill includes the *Protecting Integrity in Medicare Act (PIMA)*, previously introduced as H.R. 1021. This particular provision is crucial to curbing the up to \$60 billion a year in Medicare fraud and improper payments that are driving up costs for beneficiaries and taxpayers alike.

Unfortunately, other elements of the legislation are more problematic. We are disappointed that bipartisan agreement was not reached on a four-year extension of CHIP or a long-term solution for Medicare caps on therapy services. We are particularly dismayed by the choice of offsets. NCHC and its member organizations have repeatedly urged Congress to adopt offsets which meet a specific standard: achieve savings by reinforcing the value and affordability aims of the underlying legislation, not shifting costs. So while we appreciate that H.R. 2 avoids deeper, across-the-board provider cuts and includes neither reductions in the statutory Medicare benefit nor broad-based premium increases, the offsets do not meet NCHC's standard. NCHC supports action to address these issues, either as this bill moves through the legislative process or through subsequent legislation.

However, despite our concerns, H.R. 2 remains a clear improvement over the status quo. It would accelerate the transition toward higher value care, preserve CHIP's investment in children's health, improve protections for low-income beneficiaries, and strengthen protections against fraud and abuse in Medicare. We also know that the potential consequences of failing to act now are serious: Medicare physicians could see their reimbursement slashed by more than a fifth, 1.1 million children could lose health coverage, and an outmoded fee-for-service system will continue to drive up the cost of health care. Therefore, we urge you to vote yes on H.R. 2.

Thank you for your work on these important issues. If NCHC can be of any assistance as this debate moves forward, please do not hesitate to contact me at jrother@nchc.org or NCHC's Policy Director, Larry McNeely at lmcneely@nchc.org.

Yours truly,



John Rother
President and CEO,