



May 26, 2009

Senator Max Baucus, Chairman
Senator Chuck Grassley, Ranking Minority Member
U.S. Senate
Committee on Finance
Washington, D.C. 20510

Dear Chairman Baucus and Senator Grassley

The National Committee for Quality Assurance (NCQA) appreciates the opportunity to provide comments on the Senate Finance Committee's policy options for "Financing Comprehensive Health Care Reform."

For 20 years, NCQA has worked to identify and eliminate the gaps in health care quality. We know from our work and that of others that too many Americans fail to receive the evidence-based care that they need to preserve and restore their health.

This failure to consistently provide quality care harms the health of millions of people and adds to the rising cost of coverage and care. NCQA estimates that the current quality gaps in care lead to as many as 88,000 unnecessary deaths each year and adds up to \$3.5 billion in avoidable hospital costs alone.

Poor-quality care also makes us less competitive as a nation: workers and employers lose more than 51 million days of work each year owing to suboptimal care. That is the equivalent of removing 206,000 full-time employees from America's workforce.

Providing coverage to the millions of Americans who live without it and securing good coverage for the millions more who are underinsured must be the primary goal of health care reform. But this expansion of coverage must be coupled with tangible efforts to improve quality and costs in order to achieve lasting improvement.

Adequate financing of health care reform is, of course, critical to its success. The U.S already spends more per capita on health care than any other nation in the world. Additional spending must be targeted and producing greater value in health care delivery. The Committee's earlier work to identify options for delivery system reform and coverage expansion are an excellent beginning to this process. Our comments below are focused on establishing this linkage.

Adjusting Reimbursement for High-Growth, Over-Valued Physician Services

NCQA supports the Committee's proposals to examine payment rates for certain over-valued physician services. The creation of an expert panel to assist CMS in evaluating and adjusting payment for potentially mis-valued physician services would bring greater rationality and consistency to these payment decisions. These changes must be coupled with targeted improvements in payments for primary care services as outlined in the Committee's options paper for Delivery System Reform.

Reducing Geographic Variation in Spending

NCQA endorses the Committee's proposal to reduce variations in Medicare spending across the country. The work of researchers at Dartmouth University and elsewhere documents the tremendous differences in per-beneficiary spending and shows that these differences do not correlate to improved quality. In other words, spending more does not necessarily result in better outcomes. Any effort to reduce these variations must be coupled with the Committee's previous proposals to link payments to performance and to reward both high performance and improvement in health care quality.

Medicare and Medicaid Graduate Medical Education (GME) Payments

We need a bold strategy to address the existing shortage of primary care professionals and the looming crisis our nation faces in this area. We are particularly concerned by the existing dearth of geriatricians. Changing these patterns will require a combination of payment reforms and delivery system reforms. The Committee's proposals to modify current payment policies for graduate medical education (GME) support in Medicare and Medicaid should be coupled with exemptions for payments supporting the training of primary care providers.

Modifying Beneficiary Contributions

Simplifying Medicare's often confusing requirements for beneficiary contributions can help patients make better choices about their care. Too often, important care decisions are influenced by how much a patient will have to pay out of pocket. Many private employers have moved to simplify cost-sharing rules and coupled those changes with targeted exemptions for certain high-value services. We urge the Committee to consider a similar approach for Medicare with a focus on preventive services, screenings and maintenance care for such chronic conditions as diabetes and heart disease.

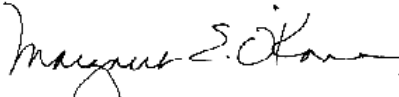
As you look at cost-sharing for both the public and private sector, we urge you to consider linking the amounts patients are required to pay to their willingness to actively participate in their care. There is strong evidence that engaged patients are more likely to comply with treatment regimens and have better outcomes. For example, patients who utilize shared decision-making tools, participate in wellness programs and/or complete a health risk appraisal should have reduced cost-sharing or no cost-sharing at all. Many private employers have been experimenting with these types of benefit improvements and have positive results.

Lifestyle Related Revenue Raisers

The various options presented to increase federal taxes on alcohol and sugar-sweetened beverages would be important steps toward improving the health of the American people. Coupled with the Committee's previous proposals to encourage employers to adopt wellness programs in the workplace, these policy changes can help reduce future health care costs. We would urge the Committee to consider extending this approach to other unhealthy food products including candy, vending machine snack foods, and diet soft drinks. Each of these have been shown to contribute to obesity and poor health and, ultimately, higher health care costs.

Thank you again for the opportunity to review and comment on the Committee's policy options for financing health care reform. We appreciate the open process that the Committee and its staff have adopted and look forward to working with you as part of this important effort to reform our health care system.

Sincerely,

A handwritten signature in black ink, appearing to read "Margaret E. O'Kane". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Margaret E. O'Kane
President