

July 21, 2009

The Honorable Henry A. Waxman
Chairman
House Committee on Energy and Commerce
Washington D.C. 20515

Dear Mr. Chairman:

As the Committee continues its consideration of H.R. 3200, the America's Affordable Health Choices Act of 2009, the undersigned organizations urge you to maintain the strong and forward-thinking provisions of the bill that seek to improve the quality of care delivered to Medicare beneficiaries. Specifically, we urge the Committee to retain the provisions of Section 1162 providing for bonus payments to Medicare Advantage plans based on their performance on key measures of clinical quality and patient experience.

Health plans participating in Medicare have been reporting performance data since 1997. This includes the Healthcare Effectiveness Data and Information Set (HEDIS®) and the Consumer Assessment of Healthcare Providers and Systems (CAHPS®). To date, that information has been used, primarily, to drive internal quality improvement efforts. More recently, the Centers for Medicare & Medicaid Services (CMS) has been utilizing the data to provide beneficiaries with comparative information about Medicare plans. It is time to take the next essential step by structuring Medicare payment to provide an incentive to plans to improve their performance on these measures.

In its June Report to Congress, the Medicare Payment Advisory Commission (MedPAC) noted, "many plans have room for improvement in their quality measures." According to the National Committee for Quality Assurance (NCQA), there has been little or no improvement in the quality of care provided to Medicare Advantage members over the last two years. In fact, on certain key measures of care, the average quality performance has declined. For example:

- The percentage of women between the ages of 40 and 69 receiving a mammogram within the previous 24 months declined by 6 percent from 71.6% in 2006 to 67.3% in 2008.
- The percentage of beneficiaries receiving a flu shot dropped 2.4 percent from 70.3% in 2006 to 68.6% in 2008.
- The percentage of patients receiving colorectal cancer screening decreased by 6.5 percent from 53.9% in 2006 to 50.4% in 2008.

These are extremely troubling trends that stand in stark contrast to continued improvement in quality measures in the commercial insurance sector. A key difference between Medicare Advantage and the commercial market is that private employers often insist on building performance measurement into their payment policies through the use of quality bonus payments.

The use of bonus payments for quality performance has been endorsed by the Institute of Medicine and the MedPAC as a powerful tool to improve the performance of our health care system and reduce variations in quality. We believe such improvements will provide a needed spur to improve the quality of care delivered to Medicare beneficiaries and, ultimately, reduce wasteful expenditures of health care dollars.

As organizations representing consumers, workers, employers, caregivers, and experts in quality improvement we urge the Committee to continue its leadership in this critical area by maintaining the existing language of Section 1162.

AARP

American Hospice Foundation

Center for Advancing Health

Consumers' CHECKBOOK/Center for the Study of Services

Consumers Union

Health Care For All

Medicare Rights Center

National Business Coalition on Health

National Committee for Quality Assurance

National Council of Jewish Women

National Family Caregivers Association

National Partnership for Women & Families

Pacific Business Group on Health

SEIU

U.S. PIRG (Public Interest Research Group)

cc: The Honorable Joe Barton