

March 6, 2014

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, DC 20510

The Honorable John Boehner  
Speaker  
United States House of Representatives  
Washington, DC 20515

The Honorable Eric Cantor  
Majority Leader  
United States House of Representatives  
Washington, DC 20515

The Honorable Nancy Pelosi  
Minority Leader  
United States House of Representatives  
Washington, DC 20515

Dear Speaker Boehner, Majority Leader Reid, Majority Leader Cantor, Minority Leader Pelosi and Minority Leader McConnell:

As medical societies, businesses, health care providers, faith-based organizations, pension and health funds, insurers, and groups representing consumers, patients, women, children, minorities, and persons with disabilities, we urge you to bring the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* (S. 2000/H.R. 4015) to the floor for a vote before March 31, along with vital health care “extenders” and appropriate offsets.

Since its creation, the Sustainable Growth Rate (SGR) formula’s poorly conceived approach to containing Medicare costs has repeatedly threatened to disrupt access to care for seniors and disabled Americans. At the same time, underlying volume-driven payment incentives have continued to inflate Medicare premiums, increase the burden on taxpayers, and contribute to health care cost growth systemwide.

Between now and March 31<sup>st</sup>, when the current stopgap SGR fix expires, you have the opportunity to make historic improvements to Medicare and help ensure all Americans’ health care dollars are spent more wisely. As introduced, the *SGR Repeal and Medicare Provider Payment Modernization Act* would

- end the disruptive threat SGR poses to beneficiary access and provider practice sustainability;
- establish a new 5% incentive for health professionals participating in cost-saving alternative payment models like accountable care organizations or medical homes;

- reform the existing Medicare fee schedule for physicians and other health professionals with new support for care coordination, evidence-based care and a new streamlined, value-based incentive program, the Merit-Based Incentive Payment System; and
- provide new funding for quality measures and promote transparency regarding the cost and quality of health care services.

We recognize that enactment of these important reforms will require resolving two crucial outstanding issues: crafting long-term solutions to health care extenders and offsetting the budgetary cost of the legislation without merely shifting costs to beneficiaries, providers or the private sector.

Fortunately, solutions exist to meet each of these challenges. From the Senate Finance Committee's markup of SGR reform legislation last year, we know that long-term solutions to expiring extenders provisions can win bipartisan support. Work by the National Coalition on Health Care and others has shown that it is also possible to identify offsets which help, not hinder, progress toward a higher value health care system.

However, only your support and engagement can ensure that Congress actually pursues these solutions. The alternative, another 9-, 12-, or 21 month "doc fix," would do little to reduce uncertainty for providers and beneficiaries and do nothing to curb long-term growth in health costs. Having advanced so far towards permanent reform, failure to act now could dim the prospects for such legislation later this year and for years to come.

Therefore, we urge you to work together to enact permanent SGR repeal, payment reform and extenders legislation now. We stand ready to work with you to achieve that goal.

Sincerely,

National Coalition on Health Care  
Altarum Institute  
American Academy of Family Physicians  
American Academy of Neurology  
American Academy of Pediatrics  
American Academy of Physician Assistants  
American Cancer Society Cancer Action Network  
American College of Cardiology  
American College of Clinical Pharmacy  
American College of Radiology  
American College of Surgeons  
American Heart Association  
American Society of General Surgeons

Association for Behavioral Healthcare (Natick, MA)  
Blue Shield of California  
Cardiovascular Research Foundation  
California Public Employees Retirement System (CalPERS)  
Community Action Partnership  
The Episcopal Church  
Gross Electric  
Gunderson Health System  
Healthcare Leadership Council  
LeadingAge  
The Marshfield Clinic  
McFarland Clinic PC (Ames, IA)  
Minnesota Medical Association  
National Coordinating Committee for Multiemployer Plans  
National PACE Association  
National Physicians Alliance  
NETWORK, A Catholic Social Justice Lobby  
Pacific Business Group on Health  
Partnership for Quality Home Healthcare  
Premier  
SCAN Health Plan  
The Spina Bifida Association  
Thedacare Center for Healthcare Value  
Thedacare Health System  
Wisconsin Medical Society