

March 24, 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 Ron Wyden
Chairman, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

Dear Majority Leader Reid, Minority Leader McConnell, Chairman Wyden and Ranking Member Hatch:

We urge the Senate to take the next step toward SGR reform and pass the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* (S. 2110).

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 31st, when the current stopgap SGR fix expires, the Senate has an opportunity to pass historic improvements to Medicare and help ensure all Americans' health care dollars are spent more wisely. S. 2110, the *SGR Repeal and Medicare Provider Payment Modernization Act*, would

- end the disruptive threat SGR cuts pose to beneficiary access and provider practice sustainability;
- establish a new 5% pay incentive for health professionals to participate 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;
- provide new funding for quality measures and promotes transparency regarding the cost and quality of health care services;
- provide for long-term extensions of several expiring health care extenders provisions and
- avoid counterproductive offsets which would shift federal health costs onto consumers or impose blunt cuts to providers and plans.

Our organizations recognize that this bill is not perfect, and we urge Congress to continue working with a broad range of stakeholders to craft the best possible final, enacted legislation.

However, the alternative to Senate action now, 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 prospects for such legislation later this year and for years to come.

Therefore, we urge the Senate to take the next step toward meaningful, permanent reform and pass S. 2110, the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014*.

Sincerely,

National Coalition on Health Care
American Academy of Neurology
American Cancer Society Cancer Action Network (ACSCAN)
American College of Clinical Pharmacy
American Heart Association/American Stroke Association
Association for Behavioral Health Care
Brain Injury Association of America
Community Action Partnership
Cardiovascular Research Foundation
McFarland Clinic
Medical Group Management Association
National PACE Association
SCAN Health Plan