April 26, 2013

The Honorable Max Baucus  
The United States Senate  
Washington, DC  20510

The Honorable Dave Camp  
The United States House of Representatives  
Washington, DC  20515

The Honorable Fred Upton  
The United States House of Representatives  
Washington, DC  20515

Re:  Sustainable Growth Rate (SGR) Repeal and Payment Reform

Dear Chairman Baucus, Chairman Camp, and Chairman Upton:

As organizations representing health care providers, consumers, businesses, workers, vulnerable populations, the faith community and health plans, we urge bipartisan action this year to permanently repeal the SGR and transition Medicare reimbursement toward a value-based system.

Since the SGR’s enactment, its ill-conceived approach to containing physician costs has repeatedly threatened to disrupt access to care. Today, there is a growing consensus that the seniors and disabled Americans who depend on Medicare should not have to face this threat again. But as it considers repeal of the SGR, Congress should use the opportunity to address the underlying problems in our health system.

Whether in Medicare or in the private market, health care costs continue to rise amidst serious and persistent problems in health care quality and access. To meet these challenges, we must strengthen our capacity to improve health care even as we spend our health care dollars more wisely.

Fortunately, that capacity is within our reach. The best health plans, the most promising federal demonstration projects and most innovative health systems have shown us a better way forward. When patients get the right care at the right time, when care is well-coordinated, and when physicians and other providers have the time to educate and engage their patients, we know that the best of American medicine actually becomes affordable. Yet this progress will remain the exception, not the rule, as long as today’s volume-based reimbursement remains dominant. Because of its unique role as the largest payer for health care, Medicare has a special responsibility to lead the transition to delivery and payment approaches focused on value, including but not limited to value- and quality-based payment, patient-centered medical homes and accountable care.
In the coming weeks, each of our organizations stands ready to work with you. Together, we can make 2013 the year we put the SGR behind us and move America’s health care toward a future we can all afford.

Yours truly, 

National Coalition on Health Care  
AARP  
American Academy of Family Physicians  
American College of Cardiology  
American College of Physicians  
American Osteopathic Association  
American Society of Neurorehabilitation  
Blue Cross and Blue Shield Association  
Blue Shield of California  
California Public Employees Retirement System  
Families USA  
Healthcare Leadership Council  
Kentucky Teachers Retirement System  
National Business Coalition on Health  
National Multiple Sclerosis Society  
National Physicians Alliance  
National Committee on Quality Assurance (NCQA)  
Ohio Public Employees Retirement System  
Pacific Business Group on Health  
Public Sector HealthCare Roundtable  
SCAN Health Plan  
School Employees Retirement System of Ohio  
State Teachers Retirement System of Ohio  
United Spinal Association

CC:  
Honorable Orrin Hatch  
Ranking Member, Senate Committee on Finance  
Honorable Sandy Levin  
Ranking Member, House Committee on Ways and Means  
Honorable Henry Waxman  
Ranking Member, House Committee on Energy and Commerce  
Honorable Jay Rockefeller  
Chairman, Senate Committee on Finance, Subcommittee on Health  
Honorable Pat Roberts  
Ranking Member  
Honorable Kevin Brady  
Chairman, House Committee on Ways and Means, Subcommittee on Health  
Honorable Jim McDermott  
Ranking Member  
Honorable Joe Pitts  
Chairman, House Committee on Energy and Commerce, Subcommittee on Health  
Honorable Frank Pallone  
Ranking Member  
Honorable John Boehner  
Speaker of the House  
Honorable Eric Cantor  
House Majority Leader  
Honorable Nancy Pelosi  
House Minority Leader  
Honorable Harry Reid  
Senate Majority Leader  
Honorable Mitch McConnell  
Senate Minority Leader