

March 5, 2014

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

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

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

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 31st, 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 Dermatology Association
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
SCAN Health Plan
The Spina Bifida Association
Thedacare Center for Healthcare Value
Thedacare Health System
Wisconsin Medical Society