



Working Together for an Affordable Future

July 24, 2014

The Honorable Diane Black
United States House of Representatives
Washington, DC 20515

The Honorable Earl Blumenauer
United States House of Representatives
Washington, DC 20515

Dear Representative Black and Representative Blumenauer:

The National Coalition on Health Care (NCHC) is a coalition of health care stakeholder organizations committed to promoting an affordable, high-quality health system in the United States. We represent more than 80 member organizations, including medical societies, businesses, unions, health care providers, faith-based associations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities. Collectively, our organizations represent, as employees, members, or congregants, more than 100 million Americans.

I write to applaud your introduction of HR 5183, the Value Based Insurance Design (VBID) for Better Care Act of 2014. This legislation would take important initial steps to enhance the value of Medicare benefits for seniors and disabled Americans and curb the rising cost of health care.

Over recent years, leading public and private health plans have increasingly relied on VBID. They have varied cost sharing based on evidence of the value and effectiveness of specific treatment choices or providers. Their experiences demonstrate that VBID initiatives can produce better outcomes and, in some cases, lower costs.¹ But to date, Medicare has yet to embrace this approach.

The VBID for Better Care Act would create a demonstration project enabling Medicare Advantage (MA) plans in at least two regions to lower cost-sharing for the high-value treatments and high-performing providers that are needed to effectively treat chronic disease. To protect beneficiaries, the legislation strictly prohibits Medicare Advantage (MA) plans from increasing copays or coinsurance for specific services or in-network providers under this program.

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If elements of the demonstration yield quality improvement, cost reductions, or both, the Secretary of Health and Human Services would be empowered to expand the program more broadly across Medicare Advantage plans through rulemaking.

When properly designed and implemented, VBID complements ongoing reforms to provider payment and delivery, and provides an alternative to counterproductive across-the-board budget cuts. We look forward to working with you to advance this important, bipartisan legislation.

Yours truly,



John Rother
President and CEO

ⁱ University of Michigan Center for Value-Based Insurance Design. (2014, Feb). "Evidence for VBID: Validating an Inuitive Concept." Issue Brief. Downloaded from <http://www.sph.umich.edu/vbidcenter/publications/pdfs/V-BID%20Evidence%20Feb2014FINAL.pdf>.