



Working Together for an Affordable Future

May 21, 2015

The Honorable John Thune
United States Senate
Washington, DC 20510

The Honorable Debbie Stabenow
United States Senate
Washington, DC 20510

Dear Senator Thune and Senator Stabenow:

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. As the nation's oldest and most diverse group working to achieve comprehensive health reform, we represent more than 100 member organizations, including health care providers, purchasers, payers, and consumers. Collectively, our organizations represent, as employees, members, or congregants, more than 100 million Americans.

I write to applaud your introduction of S. 1396, the *Value Based Insurance Design (VBID) Seniors Copayment Reduction Act of 2015*. 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, varying 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 align its policies with this promising approach.

This legislation 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 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 MA 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.

Sincerely,



John Rother
President and CEO

¹ University of Michigan Center for Value-Based Insurance Design. (2014, Feb). "Evidence for VBID: Validating an Intuitive Concept." Issue Brief. Downloaded from <http://www.sph.umich.edu/vbidcenter/publications/pdfs/VBID%20Evidence%20Feb2014FINAL.pdf>.