



Working Together for an Affordable Future

March 29, 2016

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan, Representative McCarthy, Representative Pelosi, Senator McConnell and Senator Reid:

I write today to reiterate the National Coalition on Health Care's opposition to any substantial, legislative delay of the Comprehensive Care for Joint Replacement (CJR) Model – scheduled to go into effect on April 1st.

NCHC is the nation's largest, most broadly representative nonpartisan alliance of organizations focused on health care. The Coalition is committed to advancing—through research and analysis, education, outreach, and informed advocacy— an affordable, high-value health care system for patients and consumers, employers and other payers, and taxpayers. Our members and supporters include nearly 90 of America's largest and leading associations of health care providers; businesses and unions; consumer and patient advocacy groups; pension and health funds; religious denominations; and health plans. Our member organizations represent—as employees, members, congregants, or volunteers—more than 150 million Americans.

The current fee-for-service (FFS) payment model encourages volume and drives up health care costs in the

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United States. Worse, it provides little incentive for care coordination and quality care which patients, especially the most vulnerable, need. A transition to new models of care and payment is needed, and episodic bundled payment is essential to that transition.

Bundled payment encourages providers to work together to organize care around the patient's care episode and deliver care in a more consistent and higher quality fashion. Medicare's previous tests of episodic bundling, the Acute Care Episode demonstration and the Bundled Payment for Care Improvement Initiative, have yielded high quality care for joint replacement patients at a lower cost to Medicare. Beginning April 1st, the Comprehensive Care Joint Replacement Model takes a logical step forward by testing how episodic bundling can be applied on a regional, rather than a more incremental, provider-by-provider basis.

NCHC has been concerned by last-minute calls to suspend CJR implementation, and we were alarmed that these calls resulted in the introduction of House legislation, HR 4848 - just a week prior to implementation. Hospitals, post-acute providers, physicians and other health professionals in CJR markets are collaborating to improve care and reduce costs for Medicare beneficiaries, in anticipation of the Model's implementation. At this juncture, Congressional action to halt CJR implementation altogether or impose a long-term delay would be a profound mistake.

If alternative payment models (APMs) such as episodic bundling are not brought to scale in a timely manner, fewer Medicare health professionals will be able to meet the thresholds for the APM participation established by the Medicare Access and CHIP Reauthorization Act (MACRA) just a year ago. Unable to access MACRA's incentives for APM participation, Medicare providers would be pushed back toward the very volume-centric, fee-for-service approach to medicine that lies at the root of current health care cost and affordability challenges. Additionally, the market signal sent by a substantial legislative delay of CJR could impede broader adoption of innovative payment models generally, increasing the cost burden on businesses and families who rely on other sources of public and private coverage.

After incorporating the input of a broad range of stakeholders, the model now includes important protections for beneficiaries and providers. We urge you to firmly reject any substantial legislative delay of the Comprehensive Care Joint Replacement Model.

Should you or your staff have questions regarding these matters, please do not hesitate to contact me directly at jrother@nchc.org or NCHC's Policy Director Larry McNeely at lmcneely@nchc.org.

Yours truly,



John Rother
President and CEO

