



Working Together for an Affordable Future

December 3, 2015

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:

On behalf of the National Coalition on Health Care (NCHC), I write today to express strong opposition to including substantial delay of the Comprehensive Care for Joint Replacement (CJR) model as part of any year-end legislative package.

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.

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The current fee-for-service (FFS) payment model in health care encourages volume and drives up health care costs in the 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 coordinate care in a 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 demonstrably better care for beneficiaries at a lower cost to Medicare. 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 is extremely concerned by reports of proposals to halt or delay CJR implementation for as many as two years. We recognize that short-term adjustments may be necessary and appropriate in the implementation of new payment models like CJR. In fact, numerous stakeholders have suggested that some form of delay may assure smoother and more effective implementation of CJR, and CMS has already delayed the start date to April 1, 2016. However, 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 few months 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 public and private coverage.

CJR was thoughtfully constructed to ensure all hospitals in a region work with physicians and other providers to improve care and reduce costs. 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