

April 26, 2013

The Honorable Max Baucus
The United States Senate
Washington, DC 20510

The Honorable Dave Camp
The United States House of Representatives
Washington, DC 20515

The Honorable Fred Upton
The United States House of Representatives
Washington, DC 20515

Re: Sustainable Growth Rate (SGR) Repeal and Payment Reform

Dear Chairman Baucus, Chairman Camp, and Chairman Upton:

As organizations representing health care providers, consumers, businesses, workers, vulnerable populations, the faith community and health plans, we urge bipartisan action this year to permanently repeal the SGR and transition Medicare reimbursement toward a value-based system.

Since the SGR's enactment, its ill-conceived approach to containing physician costs has repeatedly threatened to disrupt access to care. Today, there is a growing consensus that the seniors and disabled Americans who depend on Medicare should not have to face this threat again. But as it considers repeal of the SGR, Congress should use the opportunity to address the underlying problems in our health system.

Whether in Medicare or in the private market, health care costs continue to rise amidst serious and persistent problems in health care quality and access. To meet these challenges, we must strengthen our capacity to improve health care even as we spend our health care dollars more wisely.

Fortunately, that capacity is within our reach. The best health plans, the most promising federal demonstration projects and most innovative health systems have shown us a better way forward. When patients get the right care at the right time, when care is well-coordinated, and when physicians and other providers have the time to educate and engage their patients, we know that the best of American medicine actually becomes affordable. Yet this progress will remain the exception, not the rule, as long as today's volume-based reimbursement remains dominant. Because of its unique role as the largest payer for health care, Medicare has a special responsibility to lead the transition to delivery and payment approaches focused on value, including but not limited to value- and quality-based payment, patient-centered medical homes and accountable care.

In the coming weeks, each of our organizations stands ready to work with you. Together, we can make 2013 the year we put the SGR behind us and move America's health care toward a future we can all afford.

Yours truly,

National Coalition on Health Care
AARP
American Academy of Family Physicians
American Academy of Neurology
American College of Physicians
American Osteopathic Association
American Society of Neurorehabilitation
Blue Cross and Blue Shield Association
Blue Shield of California
California Public Employees Retirement System
Families USA
Healthcare Leadership Council
Kentucky Teachers Retirement System
National Business Coalition on Health
National Multiple Sclerosis Society
National Physicians Alliance
National Committee on Quality Assurance (NCQA)
Ohio Public Employees Retirement System
Pacific Business Group on Health
Public Sector HealthCare Roundtable
SCAN Health Plan
School Employees Retirement System of Ohio
State Teachers Retirement System of Ohio
United Spinal Association

CC: Ranking Members, Sub-Committee Chairs and Ranking Members, House and Senate Leadership, President Barack Obama