



February 29, 2012

The Honorable Joe Pitts
420 Cannon House Office Building
Washington, DC 20515

Dear Chairman Pitts,

I write on behalf of the National Coalition on Health Care to express my concern over H.R. 452, the "Medicare Decisions Accountability Act of 2011," as your committee considers this legislation. Rising cost growth in Medicare and throughout the health system is a significant threat to the nation's economic stability, and the repeal of one of the few tools to control this problem is a step in the wrong direction.

The National Coalition on Health Care (NCHC) is America's oldest, most diverse, and broadest based group working to achieve comprehensive health system reform. We are committed to addressing the most important issue in the health system today: lowering costs and improving quality. With over 80 participating organizations, representing medical societies, businesses, unions, health care providers, associations of religious congregations, pension and health funds, insurers, and groups representing consumers, patients, women, minorities, and persons with disabilities, NCHC is dedicated to creating a high value health system that is affordable, sustainable, and fair.

Medicare long-term spending continues to be projected to rise at an unsustainable rate, both because of the aging of the Baby Boom generation and increases in prices and utilization. The Affordable Care Act established the Independent Payment Advisory Board (IPAB) in an attempt to ensure that the growth in Medicare spending could be controlled. This was a responsible decision; other attempts at cost containment in the law, such as the Center for Medicare and Medicaid Innovation, while likely to reduce spending, have no guarantee.

Reducing Medicare spending is notoriously difficult. It will be important to insulate the process from political pressures. The Board is intended to be made up of the very experts Congress turns to when considering Medicare policy, the same kinds of experts that make up MedPAC. However, unlike MedPAC, whose proposals are regularly lauded for their innovation and practicality, then ignored, the recommendations of the IPAB can not simply be set aside. Either these expert recommendations for reform will be implemented automatically, or Congress can override the IPAB's recommendations if it can develop a proposal to achieve equivalent savings.

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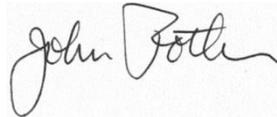
Jim Seffrin
Chief Executive Officer
American Cancer Society

John Sweeney
President Emeritus
AFL-CIO

There is a concern that the structure of the IPAB is such that it will disproportionately impact physician payment. However, this is not a reason to repeal the IPAB, but rather to expand its scope. If anything, the IPAB is too weak. The very political pressures it was intended to circumvent severely limited the options for controlling costs available to the IPAB.

The Coalition has long advocated for expedited consideration of cost savings and quality improvement proposals developed by an independent health care body. Repeal of the IPAB would leave the Medicare system without a safeguard to ensure its sustainability for future generations. The mechanism isn't perfect, but at its best, it will push Congress and the Administration to work with stakeholders to develop a Medicare savings proposal they can all support. Passage of H.R. 452 is a step away from a health system that is affordable, sustainable and fair.

Sincerely,

A handwritten signature in black ink that reads "John Rother". The signature is written in a cursive style with a large, stylized "J" and "R".

John Rother
President and CEO