

March 8, 2012

The Honorable Dave Camp  
Chairman, House Ways and Means Committee  
1102 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Camp,

On behalf of the California Healthcare Institute (CHI), the public policy association representing California's statewide life sciences sector – research universities and institutes, biotechnology, pharmaceutical, medical device companies, and venture capital firms – I am writing to express our opposition to the Independent Payment Advisory Board (IPAB) and to urge your approval of H.R. 452, the "Medicare Decisions Accountability Act", at the Ways and Means Committee markup.

As you know, one of the most controversial provisions in the Patient Protection and Affordable Care Act (PPACA) established the Independent Payment Advisory Board (IPAB) – a 15-member Board tasked with presenting Congress with comprehensive proposals to cap the growth in Medicare spending and improve the quality of care for Medicare beneficiaries. The Board's proposals would take effect unless Congress passes an alternative measure that achieves the same level of savings.

CHI is deeply concerned that the quality of care for our nation's seniors, those with disabilities, and persons with chronic or rare diseases would not be best served by the IPAB. Such approaches to cost containment could seriously harm the delicate cycle of biomedical innovation by reducing incentives for investment in new research and product development, and ultimately limit patient access to lifesaving treatments, therapies and technologies. Given our still uncertain economy, it is especially important that we do everything we can to encourage, not hamper, investment in therapies targeted toward these populations.

In addition, CHI is troubled with the IPAB's lack of transparency and limited congressional oversight. Robust debate by a wide-range of stakeholders, including Members of Congress, doctors, and the patient community best provides for the formulation of new and sound policy affecting Medicare and its beneficiaries. Unfortunately, IPAB's structure effectively cuts off Congress' critical voice and role.

CHI thanks you and the other members of the Committee for your tireless work on this critical issue. CHI stands ready to work with you, members of the Committee and the California delegation to ensure the passage of H.R. 452. If we can be of any assistance, please do not hesitate to contact us.

Sincerely,



Todd Gillenwater  
Senior Vice President, Public Policy

cc: Rep. Wally Herger  
Rep. Sander Levin