

May 22, 2009

The Honorable Max Baucus
Chairman
Senate Finance Committee
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Finance Committee
Washington, DC 20510

Re: Comments on Senate Finance Committee Policy Options for Expanding Health Care Coverage

Dear Senators Baucus and Grassley:

The Consumer-Purchaser Disclosure Project, a collaboration of leading consumer, labor and purchaser organizations, appreciates the continued leadership the Senate Finance Committee is demonstrating by proposing the options outlined in the document *Expanding Health Care Coverage: Proposals to Provide Affordable Coverage to All Americans*. Coverage expansion reforms related to the insurance market, affordability of care, prevention and wellness, disparities, long-term care, and value-based purchasing are long overdue for the almost 50 million un- and under-insured Americans who do not enjoy the security of knowing they can afford the health care that they and their families need.

At the same time, we thank the Senate Finance Committee for initiating its proposals on reform with options that address changes needed to the delivery system. Coverage expansion must be done hand-in-hand with implementing changes to reward care based on quality rather than volume, and foster the delivery of appropriate, high quality, efficient, equitable, and patient-centered care. Without transforming our health care system to become one that fosters and rewards high performance, expanding coverage will have little meaning, for it will happen within a dysfunctional and unaffordable system.

With regard to the coverage options, we are commenting on three distinct areas: (1) the health insurance exchange; (2) promotion of prevention and wellness in Medicare; and (3) options to address health disparities.

Health Insurance Exchange

Massachusetts' Health Insurance Connector Authority and the experience of purchasing pools over the past ten years provide good sources from which to develop options for delivering coverage to those who cannot access it in the group market. Particular lessons that we believe should be considered in developing a final proposal include:

- While supporting broad health plan participation, there should be quality performance thresholds. We encourage you to add language assuring that only health plans that meet quality standards (set by NCQA or other accrediting organizations) be allowed to participate. This needs to include provisions to assure that regional high-quality health plans can participate in exchanges.
- Standardized information for consumers on benefits, premiums and provider networks is crucial; equally crucial is information on estimates of potential out-of-pocket costs and

quality information, such as accreditation, HEDIS scores, and patient experience scores. This combined information needs to be formatted so that consumers have a tool that allows them to weigh their coverage options based on the value to them, taking into consideration the quality of services provided by the plan, cost to the consumer and the providers within the plan's network.

- Standardized information should be presented for both HMO and PPOs.
- Health plans participating in the exchange should be required to offer the same benefits, terms, and underwriting conditions inside the exchange as they do outside the exchange.
- There need to be clear standards regarding how exchanges will be governed. Governance needs to be designed to assure that all stakeholders' interests are considered, but it is crucial that consumer and employer representatives – both nationally and at the local or regional levels – play a significant role. The representation of consumers and purchasers is critical whether the exchange is ultimately governed by the Secretary or by a private contractor, to ensure that rate setting, benefits, and quality concerns remain at the forefront.

Promotion of Prevention and Wellness in Medicare

The Medicare population is living longer and with an increasing burden of multiple chronic diseases. The delivery system reforms outlined in the Senate Finance Committee's April 29th document promote an array of new financing and delivery system models that support high quality, coordinated, comprehensive care. As the coverage options paper acknowledges, there need to be an array of "consumer-facing" tools and benefit designs that engage Medicare beneficiaries in prevention and wellness care to support their management of complex conditions.

We thank the committee for recognizing that the one-time preventive physical examination currently covered under Medicare law is not sufficient to meet the needs of Medicare enrollees – particularly the frail elderly and those with chronic conditions. Benefits must be redesigned to be linked to providers' efforts to assess their needs and coordinate their continuing care. Requiring that Medicare cover a prevention planning visit every five years – while likely still not enough for the most vulnerable elderly – is a much welcomed step in the right direction, particularly within the context of value-based benefit design that focuses on behavior modification practices.

We also want to express support for the policy option of withdrawing Medicare coverage for preventive services rated "D" by the U.S. Preventive Task Force unless deemed medically necessary. This proposed option is in line with the practice of paying for high quality, high value care, of which not paying for care that is not evidence-based is an important component.

Options to Address Health Disparities

The disparities in care experienced by racial and ethnic minorities, the poor, those with educational or language barriers, and those with multiple chronic conditions, have been well documented, yet solutions to reducing disparities have been difficult to come by. Part of the problem is attributable to the major gaps that still exist in data collection efforts aimed at understanding why these disparities exist, and where efforts have been successful at reducing them. We fully support the proposed option that all federally funded population surveys collect sufficient data on racial and ethnic subgroups, and suggest that this could go further to require data collection on education level, language proficiency, and health status in order to truly improve the field's understanding of where and why disparities occur so that they can be corrected. The proposal to establish uniform categories through the OMB, including expanded

collection of data related to access to, and care for, people with disabilities, is also one that we wholeheartedly support.

Thank you for the opportunity to comment on this historic effort. If you have any questions, please contact either of the Consumer-Purchaser Disclosure Project's co-chairs, Peter V. Lee, Executive Director of National Health Policy for the Pacific Business Group on Health, or Debra L. Ness, President of the National Partnership for Women & Families.

Sincerely,



Peter V. Lee
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Executive Director, National Health Policy
Pacific Business Group on Health



Debra L. Ness
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President
National Partnership for Women & Families