September 7, 2016

The Honorable Tom Price
Chair, Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

The Honorable Chris Van Hollen
Ranking Member, Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

RE: "Center for Medicare and Medicaid Innovation: Scoring Assumptions and Real-World Implications"

Dear Chairman Price and Ranking Member Van Hollen:

The undersigned organizations are committed to promoting access to affordable, high-quality health care for individual patients and their families. We are writing to submit a statement for the hearing record expressing our strong support for the mission and goals of the Center for Medicare & Medicaid Innovation (CMMI). We believe that CMMI initiatives are essential to transforming our health care system for the better. As defined in law, "The purpose of [CMMI] is to test innovative payment and service delivery models to reduce program expenditures…while preserving or enhancing the quality of care furnished to individuals."[1]

In addition, the statute gives preference to models that improve care coordination, quality, and efficiency and to those that address persistent deficits in care. Importantly, the delivery and payment system reforms advanced through CMMI allow for adequate testing and evaluation before bringing new care models to scale. Further, CMMI regularly solicits public comment on proposed models, such as through notice and comment rulemaking, allowing Congress, key stakeholders, and the public to help shape emerging programs, identify potential unintended consequences, and recommend improvements.

For example, CMMI recently solicited public comment on the Part B Drug Payment Model, an initiative designed to realign perverse payment incentives and promote access to high-value medications. Through the comment process, our organizations expressed support for the model while also recommending needed improvements intended to strengthen transparency and monitoring and promote patient engagement. See the attached June 2016 letter, submitted to the U.S. Senate Finance Committee, detailing these recommendations.

The Part B Drug Payment Model, along with other CMMI demonstrations, has the potential to improve access to high quality health care for patients and their families. We urge members of Congress to recognize CMMI's pivotal role in transforming how health care is delivered and to provide constructive input to strengthen the agency's programs. Thank you for the opportunity to provide a statement for the hearing record.

Sincerely,

AARP
AFL-CIO
Alliance for Retired Americans
American Federation of Government Employees (AFGE)
American Federation of State, County and Municipal Employees

[1] 42 U.S.C 1315a (b)(2)(A)

American Federation of Teachers
Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM)
Community Catalyst
Doctors for America
Families USA
International Association of Machinists and Aerospace Workers
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)
Justice in Aging
Medicare Rights Center
National Committee to Preserve Social Security and Medicare
National Council on Aging
Pacific Business Group on Health
Public Citizen
Public Sector HealthCare Roundtable
UNITE HERE
United Food and Commercial Workers (UFCW)

CC: U.S. House Committee on Budget Members
Andy Slavitt, Acting Administrator, Centers for Medicare & Medicaid Services
Patrick Conway, Deputy Administrator for Innovation & Quality, CMS Chief Medical Officer

ATTACHMENT:

June 27, 2016

The Honorable Orrin Hatch
Chair, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

RE: "Examining the Proposed Medicare Part B Drug Demonstration"

Dear Chairman Hatch and Ranking Member Wyden:

The undersigned organizations are committed to advancing the health and economic security of people with Medicare and their families. We are writing to submit a statement for the hearing record in support of the Part B Drug Payment Model, while also making recommendations to strengthen the proposal. We urge members of Congress to support the Centers for Medicare & Medicaid Services (CMS) in carrying out the payment model and to endorse constructive proposals that put patient needs at the center of the model.

Our support for the model is informed by our shared commitment to bipartisan efforts to transition Medicare from a volume-based system to one that reimburses based on health care quality and innovation. The proposal is aligned with these goals, and we believe that it is within the statutory charge and authority of the Center for Medicare and Medicaid Innovation (CMMI) to test the proposed payment strategies. Delivery and payment system reforms advanced through CMMI allow policymakers to adequately test and evaluate pioneering models intended to enhance quality and lower costs.

The Part B Drug Payment model seeks to realign perverse payment incentives, while ensuring that health care providers can continue to prescribe the Part B medications best suited to the needs of individual patients. It also allows Medicare to consider value-based payment strategies that are already utilized successfully in the private sector and around the world. We are particularly encouraged by the second phase of the proposal which includes concepts for which there is growing consensus among diverse stakeholders. Both phases of the proposed model have the potential to improve care quality and value for people with Medicare and also support Medicare providers in delivering the right care at the right time.

Last year Medicare Part B spent $22 billion on prescription drugs, double the amount spent in 2007.[2] This spending escalation significantly burdens Medicare beneficiaries and taxpayers. Further, older adults and people with disabilities cannot be expected to continue to absorb cost sharing that can exceed $100,000 per year without any consideration of whether their money is being well spent.[3]

We strongly believe the Part B Drug Payment Model should proceed, though improvements can and should be made. Specifically, our organizations have urged CMS to consider the following recommendations:

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[2] Medicare Program; Part B Payment Model, 81 Fed. Reg. 13230 (Proposed March 11, 2016) (to be codified at 42 C.F.R. 511)

[3] Government Accountability Office (GAO), "Expenditures for New Drugs Concentrated among a Few Drugs, and Most Were Costly to Beneficiaries,"(October 2015), available at: http://www.gao.gov/assets/680/673304.pdf

- **Create a dedicated ombudsman program.** Modeled after existing initiatives, CMS should establish an ombudsman office tasked with monitoring beneficiary and provider experiences throughout implementation of the payment model. This ombudsman program should answer and track provider questions and complaints, resolve beneficiary problems, troubleshoot the appeals process, and report to Congress, CMS, and the public on its findings.

- **Publicly release a monitoring and corrective action plan.** As the model moves ahead, CMS expects to monitor beneficiary access to Part B medications through timely claims review. This monitoring plan should be made publicly available alongside the agency's pre-determined plans for corrective action should any unintended consequences result from the proposed model.

- **Establish a multi-stakeholder advisory panel.** It is critically important that multiple, diverse stakeholders have the opportunity to weigh in throughout implementation, both to share lessons learned and to provide input on mid-course corrections. Toward this end, CMS should appoint a formal advisory panel, including patient and consumer advocates, health care providers, purchasers, and pharmaceutical makers, among others, ensuring a balance of perspectives inform the panel's activities.

- **Draw on existing resources and best practices for beneficiary outreach and education.** Leveraging current resources, CMS should conduct active outreach and provide trainings on the payment model for organizations that serve people with Medicare, State Health Insurance Assistance Programs (SHIPs), and 1-800-MEDICARE customer service representatives. Additionally, CMS should work closely with consumer advocates, utilize focus groups, consult readability experts, and promote language access as the agency designs beneficiary communications and educational campaigns on the model.

- **Carefully consider limits to size and scope.** CMS should move forward with a payment model that allows the agency to generalize results, compare payment strategies, and scale promising outcomes. At the same time, CMS should be responsive to concerns raised about how independent and rural physician practices will fare under the proposal. For example, CMS could establish an exceptions process that requires the submission of detailed data on Part B prescription drug acquisition costs to allow for limited provider exemptions. This exemption process would give special consideration to small practice providers in underserved and rural areas of the country.

Prohibiting the Part B Drug Payment Model from moving forward would halt progress in transforming how the Medicare program pays for care and perpetuate a system that allows those with less to go without needed medicines. We urge members of Congress to ensure that the payment model moves forward with refinements that aim to fully engage consumers and patients and ensure access to critical care. Thank you for the opportunity to provide a statement for the hearing record.

Sincerely,

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American Federation of Government Employees (AFGE)
American Federation of State, County and Municipal Employees
American Federation of Teachers

California Health Advocates
Center for American Progress
Center for Elder Care and Advanced Illness, Altarum Institute
Center for Medicare Advocacy
Communications Workers of America
Community Catalyst
Consumers Union
Doctors for America
Families USA
International Brotherhood of Boilermakers
International Union, United Automobile, Aerospace, & Agricultural Implement Workers of America (UAW)
Justice in Aging
Medicare Rights Center
National Committee to Preserve Social Security and Medicare
National Council on Aging
National Education Association
National Physicians Alliance
Pacific Business Group on Health
Public Citizen
Public Sector Health Care Roundtable
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Andy Slavitt, Acting Administrator, Centers for Medicare & Medicaid Services (CMS)
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