



PBGH

Pacific Business
Group on Health

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CONTACT: Lisa Page
Perry Communications Group
916-658-0144 or lisa@perrycom.com

**Pacific Business Group on Health Lauds Introduction
of Medicare Value Purchasing Act of 2005**
**Bill Promoting Consumer Tools, Higher Quality Care and Cost Efficiency Would
Transform Medicare and Change Health Care in America**

San Francisco (June 30, 2005) — The Pacific Business Group on Health today endorsed a groundbreaking Medicare quality measurement and payment bill introduced by U.S. Senators Grassley and Baucus. The Medicare Value Purchasing Act of 2005 will set new standards in Medicare for measuring quality, reporting outcomes and instituting performance-based pay, and will lead the way for the adoption of similar principles for all health purchasers.

“The Medicare Value Purchasing Act will not only improve the quality of care for seniors, Medicare’s leadership in providing usable information for consumers and rewarding quality care, will change the market for all Americans and help reign in out-of-control health costs,” said Peter Lee, president and CEO of the Pacific Business Group (PBGH).

PBGH has recently helped bring together a broad coalition of employers, consumer groups and labor through the Consumer-Purchaser Disclosure Project to support a broad set of Medicare quality and payment principles that are reflected in the Medicare Value Purchasing Act. These principles seek to improve our overall health care system and patient care by implementing nationally-endorsed and scientifically-valid measures addressing clinical quality, efficiency of care, use of quality-enhancing information technology; making those measures public; and differentially rewarding providers based on their performance and improvement.

“Health care in America has a value-disconnect – rising costs are hitting the bottom line of employers and consumers, while the quality of care delivered continues to be inconsistent at best, and in many cases outright dangerous,” added Lee. “It is high time that we gave consumers valid tools to make better informed choices and that we actually rewarded better quality in how we pay for health care.”

The Pacific Business Group on Health (PBGH), a business coalition of 50 purchasers, seeks to improve the quality and availability of health care while moderating cost. Since 1989, PBGH has played a leading role both nationally and statewide in health care measurement, trend moderation, and system accountability through public reporting.