

United States Senate

WASHINGTON, DC 20510-2101

April 26, 2012

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Dear Secretary Sebelius:

We sent a letter to you on November 10, 2011 requesting information and documents pertaining to the operations and strategic framework for the Centers for Medicare and Medicaid Innovation (Innovation Center). As stated in that letter, we remain concerned that at a time of significant uncertainty for the fiscal health of the U.S. government, funds are being expended by the Innovation Center with little to no actual value provided. Reducing health care costs is vital to preserving the solvency of the Medicare and Medicaid programs, but we are concerned that the Administration's current approach, operating within the fee-for-service system, will not achieve the spending reductions necessary to meet this goal.

Since we sent this letter more than five months ago, the Innovation Center has rolled out a number of additional new initiatives – but we still do not have the information requested. The new initiatives include: the Health Care Innovation Challenge program, with up to \$1 billion in potential grant awards; the Pioneer Accountable Care Organization and Medicare Shared Savings programs, which the Administration expects will provide care to more than 1 million Medicare beneficiaries; and a promotional piece entitled "One Year of Innovation: Taking Action to Improve Care and Reduce Costs." We are concerned that during a time period in which the Innovation Center has become responsible for managing additional billions in federal funds, overseeing care networks for over a million Medicare beneficiaries, and printing an eight-page report to tout its accomplishments, that the Innovation Center and the Administration have not had the capability to respond to our request for information on the basic structure of this incredibly active component of your Department.

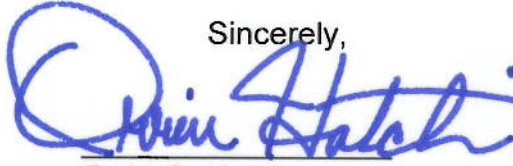
In conversations our offices have had with the CMS, a response has been promised in a timely manner. However, the Administration has failed to keep that commitment to date, so we again respectfully request a complete response to our November 10, 2011 letter as soon as possible.

Thank you for your attention to this matter.

Sincerely,



Michael B. Enzi
United States Senator



Orrin G. Hatch
United States Senator



Tom Coburn, M.D.
United States Senator

CC: Ms. Marilyn Tavenner, Acting Administrator, CMS