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# Congress of the United States

## U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS

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April 27, 2012

As you know, the Sustainable Growth Rate (SGR) formula is creating uncertainty in the Medicare program for physicians and beneficiaries. Congress has repeatedly enacted legislation to avert scheduled rate cuts that have been called for under the SGR every year since 2003. These short-term “patches” combined with steady growth in the volume and complexity of services for most of the last decade, have created a ballooning “deficit” that current law requires to be recouped through significant future fee cuts. A permanent solution has been elusive in large part because of the substantial cost—currently estimated at nearly \$300 billion over the next ten years—associated with replacing the SGR formula.

Given the SGR situation and the long-term fiscal challenges faced by the Medicare program, this Committee recognizes the urgent need to transform Medicare’s physician payment system to one that preserves and promotes the patient-physician relationship and rewards physicians for the high-quality and efficient care they provide. Experts agree that there is no “one size fits all” solution and that a reformed payment system will require some flexibility to account for the diverse needs of both beneficiaries and physicians. As we continue to work toward a permanent, fiscally responsible solution for the SGR, we are seeking input from the physician community and other stakeholders.

Physician-led efforts to enhance the value of care delivered to patients will offer valuable lessons for reforming the Medicare physician payment system. For example, many physician organizations are very active both in collecting data to improve clinical performance, such as through data registries, and in developing programs that recognize physician excellence, such as certification programs for demonstrating excellent outcomes (such as those for diabetes or cardiac care). In addition, many physicians are engaged in care delivery transformation and clinical improvement activities, such as providing enhanced patient access, employing patient shared decision-making programs, and utilizing clinical decision support tools. These efforts are promising as they have encouraged widespread dissemination of clinical evidence and have demonstrated an ability to improve patient outcomes and reduce unwarranted variations in care.

As part of this Committee's efforts to review value-based measures and practice arrangements that can improve health outcomes and efficiency in the Medicare program, we are soliciting comments from physician organizations such as yours. Specifically, I am writing to ask that your organization provide answers to the following questions:

**Rewarding Quality and Efficiency**

1. How does your organization think quality, efficiency, and patient outcomes should be incorporated into the Medicare physician payment system? (Please include details on experiences with non-Medicare payers that could be instructive.)
2. To what extent has your organization developed and/or facilitated the use of:
  - a. Quality and outcome measures?
  - b. Evidence-based guidelines?
  - c. Patient registries?
  - d. Continuous quality improvement programs or strategies?
  - e. Electronic health records?
3. What clinical improvement activities have been developed and are supported by your organization or have otherwise been used effectively by your members?
4. Have non-Medicare payers recognized or rewarded these clinical improvement activities? If so, how?
5. Is there anything else your organization would like to share with the Committee on how to reward physicians for high quality, efficiency, and patient outcomes?

**Alternative Payment Models**

1. Are there quality-enhancing alternatives to fee-for-service, such as bundled payments and shared savings models that your members have experience with or are developing with private payers?
  - a. If so, what are the pros and cons of such approaches?
  - b. If not, are there alternatives to fee-for-service that are relevant and feasible for your members?

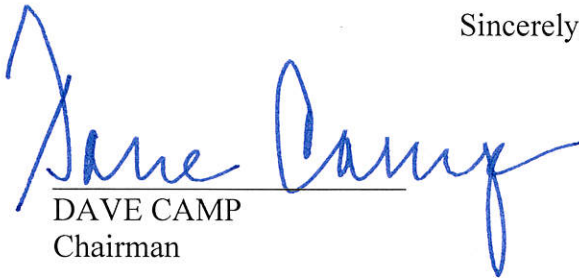
**Patient Involvement and Regulatory Relief**

1. How does your organization think physicians can encourage beneficiaries to seek appropriate, high-value health care services?
2. Are there administrative and regulatory burdens that your organization sees as barriers to fundamental delivery system reform? If so, please describe.
3. Are there unnecessary administrative and regulatory burdens that your organization sees as taking valuable time away from seeing patients and/or increasing costs to the Medicare program? If so, please describe.

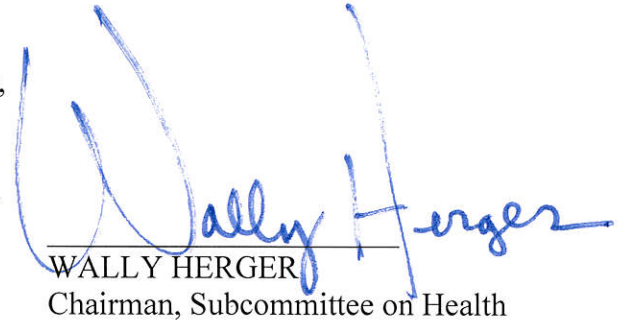
As noted, active participation and input from the physician and provider community is essential to our endeavor to reform the SGR. Medicare spending is on an unsustainable path, and we must find a better way to reward you for the quality of care delivered.

Thank you for providing care to America's seniors and people with disabilities, we look forward to working with your organization on these issues and appreciate your efforts to develop timely, specific responses. **Please send such responses (and any relevant supporting documentation) via email to [physician.feedbackwm112@mail.house.gov](mailto:physician.feedbackwm112@mail.house.gov) no later than May 25, 2012.** If you have any questions, please contact Dan Elling, Staff Director of the Ways and Means Health Subcommittee, at (202) 225-3943.

Sincerely,




DAVE CAMP  
Chairman



WALLY HERGER  
Chairman, Subcommittee on Health



SAM JOHNSON



KEVIN BRADY



PAUL RYAN



DEVIN NUNES



PAT TIBERI



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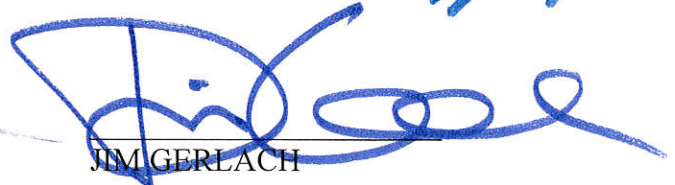
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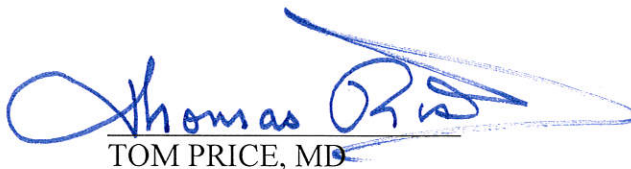
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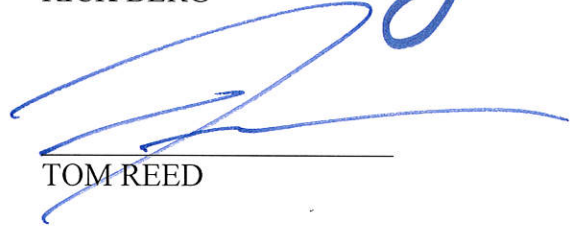
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