

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber for Sen. Grassley
Re: CMS administrator declines information request
Da: Thursday, Aug. 26, 2010

Sen. Chuck Grassley, ranking member of the Committee on Finance, today received a response to his July 29 letter to CMS Administrator Donald Berwick, requesting information about funding of Berwick's former organization, the Institute for Healthcare Improvement. Berwick declined to release key funding information. Grassley made the following comment.

"For months, I've asked for donor information regarding the Institute for Healthcare Improvement. At one point, Dr. Berwick promised to get me that information. It never happened. And now Dr. Berwick says it never will, at least not on his watch. This was supposed to be the most transparent Administration ever. Instead, it's on track for the opposite. The CMS administrator has authority for the health coverage of more than 100 million Americans and manages a budget larger than the Pentagon's. At least a minimal amount of transparency is necessary for the head of such an influential agency.

"The reason for seeking key donor information by correspondence is Dr. Berwick was recess-appointed without even a committee hearing, which would have looked at his organization's funding and identified possible conflicts of interest in his control of the nation's health care programs. Instead, there's a question mark over his organization's financial dealings. The public doesn't have enough information to be able to evaluate his capacity to serve without any conflicts. We don't know the key donors to IHI, which he founded and directed, so we don't know who funded his salary for many years or who funded his retirement plan. If a medical device maker or insurance company helped to fund IHI, will those companies get favorable treatment as Dr. Berwick decides how to cut more than half a trillion dollars from Medicare, as required by health care reform? The Administration's answer is, trust us. But instead of being left to hope for the best, the taxpayers need verification. Without more information, the taxpayers are in the dark. Stonewalling on basic information is unacceptable. This isn't a good way to run the government."

Details of Grassley's prior request follow.

For Immediate Release
Friday, July 30, 2010

Grassley Seeks Promised Information from CMS Administrator Berwick

WASHINGTON – Sen. Chuck Grassley, ranking member of the Finance Committee, asked new Centers for Medicare and Medicaid Services (CMS) Administrator Dr. Donald Berwick to follow through on promises to provide information regarding potential conflicts of interest stemming from his prior work. President Obama recess-appointed Berwick before the Finance Committee held a hearing on the nomination.

“These are questions that would have come up in a nomination hearing and possibly have been answered a long time ago,” Grassley said. “Since we didn’t get to have a hearing, the questions are still on the table. Closing the loop will help build transparency around the person who’s been chosen to run the nation’s health care programs.”

Grassley asked Berwick to disclose information about the sources of funding for the Institute for Healthcare Improvement (IHI), where Berwick previously worked, as Berwick promised to do last month. The letter asks for Berwick to provide this information to provide some transparency regarding actual or potential financial conflicts of interests in his role as CMS administrator, given “the Administration’s apparent opposition to allowing (Dr. Berwick) to appear before a Committee nomination hearing.”

The letter also asks whether “IHI continues to provide benefits” to Berwick and his family, “including health care coverage as indicated in [IHI’s audited financial statement](#).” The extent and status of the IHI benefits are unclear. It would be noteworthy if the administrator of federal health programs received a workplace benefit beyond what many Americans receive.

Grassley and his fellow committee Republicans have pressed for a Finance Committee hearing featuring Berwick to no avail.