



August 6, 2009

The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the National Business Coalition on Health (NBCH) and our 60 employer-based coalition members, I want to thank you for your leadership and commitment to advancing much needed national health care reform legislation.

NBCH represents a national network of 7,000 public and private employers participating in state and local health coalitions and voluntarily providing health insurance to 25 million Americans. Since 1993, NBCH has been dedicated to improving health, transforming health care, community by community. We write today in support of your goals for national health care reform legislation: a high quality delivery system reoriented to improving health status and outcomes; control of rising health care costs for employers, governments and American households; and affordable health insurance for all Americans.

NBCH also shares your conviction that the current path we are on is unsustainable. With America spending nearly twice as much per citizen on health care than any other industrialized country, while ranking in the lowest quartile on population health status, the status quo is unacceptable. As coalitions and employers, we understand that America's future competitiveness in a global economy is dependent on our ability to control health care costs and improve the health and productivity of the American workforce.

NBCH and our member coalitions bring to this debate over health care reform legislation an unwavering and long-standing conviction that the path to genuine health care delivery reform and cost containment is value based purchasing. Simply stated, purchasers of health care services (i.e. employers, governments, and consumers) need to measure, publicly report, and, most importantly, reward - through payment and choice - high performance and value in health care services and delivery. We also note that the flexibility granted by ERISA has allowed employers to be innovators and practitioners of value based purchasing in the private sector for decades and should be preserved.

The very recent attention to cost containment through value based purchasing in the health care reform debate is an encouraging development from NBCH's perspective. NBCH offers the following **five recommendations**, which support the pillars of value based purchasing:

1. **Standardized Measurement:** Require the DHHS Secretary to dramatically expand its programs to measure the cost and quality of medical care at all levels. Enhance the size and scope of comparative effectiveness research. Require DHHS to work with and help fund quality experts in the private sector, coordinated through the National Quality

- Forum, to develop and endorse provider performance measures and population health measures. Allow CMS to publicly release de-identified Medicare data to facilitate all-payer analysis of provider performance.
2. **Public Reporting:** Require DHHS to develop the systems to collect performance information, in concert with private payers, and publicly report cost and quality profiles for all providers together with population health rankings by state, regions, and local communities.
 3. **Payment Reform:** Require DHHS to transition from the existing fee-for-service to provider payment designs that focus on delivering high value care while emphasizing prevention, primary care, chronic care management and transitions in care. To achieve this goal, DHHS needs stronger authority and the flexibility to support testing, evaluation, changes to payment models in Medicare and Medicaid as well as the ability to align and participate in innovative payment strategies in the private sector.
 4. **Consumer Engagement:** Permit Medicare, Medicaid, and participating plans in health insurance exchange programs to modify consumer and beneficiary incentives through premium contributions and co-payments to encourage the use of services that promote health and value and to select high performance providers. Provide tax credits to employers that implement worksite health and wellness programs and amend the HIPAA regulations that limit the economic value of potential employee incentives for improving health status.
 5. **Cost Containment:** Create a failsafe mechanism to guarantee health care cost containment. Establish and grant the necessary statutory authority to an independent entity of health care experts, separated from Congress, to require implementation of evidence-based cost containment strategies if overall health care spending exceeds wage and cost of living trends.

Finally, NBCH supports the laudable goal of universal coverage. NBCH member coalitions are keenly aware, as representatives of employers that provide health insurance to their employees and dependents, that 47 million uninsured Americans create market distortions, cross-subsidies, and shifting costs in the system that negatively impact the employer community. We also recognize that paying for the uninsured through emergency room and hospital visits is both poor quality and inefficient. NBCH believes that many employers are ready to share in the fiscal responsibility for extending coverage to all Americans but only if real cost containment through value based purchasing is a core element of reform legislation.

NBCH is thankful for the opportunity to add our voice to the national health care reform debate. Please do not hesitate to call on us if we can provide assistance in advancing responsible legislation built on a foundation of value based purchasing.

Sincerely,



Andrew Webber
President and CEO

cc Nancy-Ann Min DeParle, Director of the White House Office of Health Reform
Secretary Kathleen Sebelius, U.S. Department of Health and Human Services