



June 8, 2018

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The Honorable Paul Ryan
Speaker of the House
US House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
House Democratic Leader
US House of Representatives
Washington, DC 20510

The Honorable Mitchell McConnell
Senate Majority Leader
US Senate
Washington, DC 20510

The Honorable Chuck Schumer
Senate Democratic Leader
US Senate
Washington, DC 20510

Dear Speaker Ryan and Democratic Leader Pelosi, Majority Leader McConnell and Democratic Leader Schumer:

On behalf of Research!America and the Network for Excellence in Health Innovation (NEHI), we urge you to refrain from acting on the President's request to rescind \$800 million from the Center for Medicare and Medicaid Innovation (CMMI). For many reasons, stripping this funding out of CMMI will imperil our nation's vitally important efforts to find new ways to deliver health care at affordable costs, for the benefit of patients and taxpayers alike.

As you know, CMMI supports the development and testing of innovative health care payment and service delivery models, drawing on an important spirit of experimentation as well as on research in health services, health economics, and related fields. By pilot testing value-based purchasing and other payment and care delivery strategies, CMMI is not only working to reduce the costs and increase the quality of health care, but is also producing the evidence needed to speed adoption of effective strategies while preventing adoption of those that could ultimately be ineffective or even harmful, both to patients and taxpayers.

The United States spends nearly \$1.5 trillion per year to fund federal health programs; the total annual CMMI outlays amount to less than 0.15% of that figure. Far from being an insignificant part of efforts to revamp health care, however, CMMI is critical, and its efforts are part and parcel of the nation's commitment to deliver high-value health care to Medicare beneficiaries in particular. The just-issued 2018 annual report of the Boards of Trustees of the federal Hospital Insurance and Supplementary Medical Insurance Trust Funds

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points out that, “if the health sector cannot transition to more efficient models of care delivery and achieve productivity increases commensurate with economy-wide productivity” in the face of predicted private sector payment rates, **“the availability and quality of health care received by Medicare beneficiaries would, under current law, fall over time”** relative to the care paid for by private payers. In other words, it is critical to innovate in developing more efficient models of care delivery not only to reduce the rate of growth of public health care spending, but to avoid a decline in the quality of care purchased through that spending.

President Trump’s strategy for reducing prescription drug costs also emphasizes important potential innovations in which CMMI would play a leading role in design, regulatory reform, and other foundational efforts to make such innovations a reality. The President’s “American Patients First” proposal, released on May 11, 2018, features “experimenting with value-based purchasing in federal programs” and “considering further use of value-based purchasing in federal programs, including indication-based pricing and long-term financing. In fact, in response to the recent New Direction Request for Information issued by the Administration, which received more than 1,000 responses, NEHI was among the organizations urging CMMI to forge ahead in these important areas. It is hard to imagine how CMMI will accomplish all of these tasks set before it amid reduced funding.

Our two organizations agree with the President that it makes sense for our nation to pick up the pace on assessing innovative new payment models for prescription drugs and other forms of health care and care delivery. However, to achieve this vision, CMMI must retain flexibility to use its existing resources, not lose access to them.

We appreciate the importance of sound fiscal stewardship, including vigilance in allocating limited federal resources to their best uses. It is for this very reason, and because patients need and deserve high quality, evidence-based healthcare, that we ask you to reject these proposed rescissions and proceed with according CMMI the resources it needs to carry out its important work.

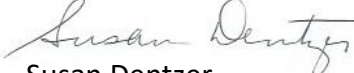
Thank you for considering our views.

Sincerely,



Mary Woolley

President and CEO, Research!America



Susan Dentzer

President and CEO, The Network for Excellence
in Health Innovation