



April 29, 2009

**PBGH**

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The Honorable Max Baucus, Chairman  
The Honorable Charles Grassley, Ranking Minority  
The Senate Committee on Finance  
219 Dirksen Building  
Washington, DC 20510

Re: Employer Community Support for Senate Finance Committee  
Leadership in Promoting Delivery System Reform

Dear Chairman Baucus and Senator Grassley:

Spiraling healthcare costs are a significant drag on economic growth and job production in the United States. Rising costs cripple the ability of American business to compete, drain resources that otherwise could be invested in new jobs and undermine economic growth across the nation. America's business community believes that achieving affordable, patient-centered, quality health care must be a national priority. We must take concrete steps to transform our health care system into one that rewards better value, recognizes the importance of primary care, prevention and care coordination, encourages engaged American consumers to access more efficient, higher quality providers, and is affordable to individual Americans and businesses.

The options you have outlined today mark an important step along the path to meeting the nation's desperate need for health reform. The Pacific Business Group on Health and the business community in general looks forward to working with you and your Committee in the coming weeks and months, and want to highlight a few elements in your initial set of proposals that are particularly important:

- The Committee has started where the debate must start – at reforming how care is delivered to bring costs under control and assure patients receive high quality care. Health reform that does not start by reining in costs and improving quality in concrete ways is not reform.
- We applaud the active and engaged bipartisan nature of your deliberations and the development of options to reform delivery. Transforming health care is too important not to be done in ways that get the best ideas from all perspectives.
- Several of the proposed options will move our health care system away from fee-for-service payments that are blind to the quality and efficiency of care delivery and shift towards payments that reward quality, patient-centeredness, primary care, care coordination and better value.

- The array of options recognize that payment change and delivery system reform will be large, complex undertakings and that to make lasting and effective change we will need to take a deliberate, incremental, and adaptive course – learning as we go. In particular, we applaud your initiative to provide CMS with additional authority to expand on proven payment models that are shown to create value. We also affirm your recognition that core infrastructure investments in health information technology, measuring and improving performance and comparative effectiveness research will serve as essential building blocks to reform.
- Finally, while we applaud the scope and direction of your recommendations, the business community would encourage you to be sure that the pace and range of your proposals are sufficient to address the health care crisis facing individual Americans, the public sector and our employers. Among the areas we look forward to working with you on in the coming months are:
  - Assuring that support for primary care and care coordination are adequately funded from offsets or savings generated by improvements in care;
  - Developing mechanisms for independent review of payment decisions –guided by consumer and employer perspectives as much as by clinicians and others who receive payments.

The business community welcomes the opportunity to work with your Committee, other members of Congress and the Obama Administration as we all seek to craft health reform that is truly guided by what can and will meet the needs of patients.

Thanks again for your leadership and we look forward to working with you in the weeks and months to come.

Sincerely,



Peter V. Lee  
Executive Director  
National Health Policy



David Lansky  
President/CEO