



November 20, 2003

The Honorable William Thomas
Chairman, Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

PUBLIC POLICY & GOVERNMENT RELATIONS

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Dear Chairman Thomas:

On behalf of Group Health Cooperative (GHC), the nation's second largest consumer-governed health care organization, I am writing to express our support for the compromise agreement on H.R. 1, the Medicare Prescription Drug Improvement and Modernization Act of 2003. Group Health has a longstanding commitment to serving Medicare beneficiaries. In 1976, we entered the first partnership with the government under what was then referred to as the Medicare risk program. Today, nearly 60,000 Washington state Medicare beneficiaries have chosen one of Group Health's Medicare+Choice plans.

Prepaid Medicare options – such as those available under Medicare+Choice and those to be made available under Medicare Advantage – are valuable coverage choices for beneficiaries. Prepayment has allowed us, as an integrated delivery system, to do what we do best, offer beneficiaries highly-coordinated care and innovative programs aimed at health promotion and disease prevention in addition to caring for them when they are ill. We appreciate that the agreement seeks to address the inadequacy of payments under Medicare+Choice, which has led to program instability. The changes will help ensure a stronger foundation for the Medicare Advantage program.

The lack of a Medicare prescription drug benefit has been problematic for beneficiaries, including many of our members. Clearly, the Medicare drug benefit included in the legislation will offer beneficiaries, particularly those with lower incomes, much needed relief. Our pharmacy delivery system – the co-location of pharmacies at our medical centers, our use of formularies, and systems to help avoid drug interactions – will help us further enhance the benefit's value to our members. We appreciate that the agreement recognizes some of the unique aspects of our system.

We also are pleased that the agreement calls for an Institute of Medicine (IOM) study related to rewarding performance. Group Health holds itself to high standards with respect to the quality of care delivered to our Medicare+Choice members. We have devoted significant resources to ensure that our providers have the best available information on recommended treatments for conditions prevalent among Medicare beneficiaries, such as diabetes and cardiovascular disease, and that their patients receive these treatments. We are proud of our accomplishments, but recognize that more can be done. The IOM study provision is affirming to Group Health and all providers as we strive deliver the highest quality care to our nation's Medicare beneficiaries, who simply deserve no less.

We recognize the challenges that policymakers faced in achieving this agreement and know that difficult choices had to be made. The legislation is an historic milestone for our nation's Medicare beneficiaries. We look forward to working with Congress and the Administration as this legislation moves forward.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cheryl M. Scott".

Cheryl M. Scott
President & CEO