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Congress of the United States
House of Representatives

COMMITTEE ON WAYS AND MEANS

WASHINGTON, DC 20515

SUBCOMMITTEE ON HEALTH

July 29, 2015

The Honorable Sylvia Burwell
Secretary
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Burwell:

Over the past several years, Medicare has implemented several different value-based purchasing programs across different patient settings and payment systems. The goal of these reforms has been to link payments to quality measures and move away from the current system that rewards volume. As you stated on January 25, 2015, "HHS has a goal of tying 85 percent of all traditional Medicare payments to quality or value by 2016 and 90 percent by 2018 through programs such as Hospital Value Based Purchasing." This is a laudable goal and the Congress is committed to working with you to achieve this goal.

However, we have some strong concerns with the approach that is currently underway. The Centers for Medicare & Medicaid Services (CMS) calendar year (CY) 2016 home health proposed rule is just the most recent example. It re-enforces the silo-based nature of the Medicare program by applying one set of rules to a particular patient setting without any regard for the incentives or ripple-effects that it may cause in other health care areas.

A better approach is to pursue reforms through programs like Post-Acute Care Value-Based Purchasing, legislation that I recently introduced (H.R. 3298) with my colleague Mr. Kind (D-WI). As you will note from the detailed side-by-side comparison below, a PAC VBP program offers providers and beneficiaries a better path forward than what is currently envisioned in CMS' proposed home health VBP pilot. A post-acute care value-based purchasing program offers providers and beneficiaries a better path forward than what is currently envisioned in CMS' proposed home health pilot. We urge you not include the home health VBP pilot in the home health final rule and instead work with us to advance the PAC VBP proposal.

Thank you for your time and attention to this important matter.

Sincerely,


Kevin Brady


Ron Kind

Appendix A: Side-by-Side Comparison of H.R. 3298 to the CY 2016 Home Health Value-Based Purchasing Proposal

Withhold Amount to Fund the Incentive Pool

CMS’ home health proposed rule would begin with a 5 percent withhold (Table 1). This amount is the largest sum that has been rolled out for any value-based purchasing program in Medicare, to date. In contrast, H.R. 3298 would begin with a 3 percent withhold. Both proposals eventually reach an eight percent withhold, but CMS’ proposal achieves that amount after three years and H.R. 3298 achieves that amount after five years. Providers need a significant transition time to prepare for change. CMS’ proposal is not respectful of the need for a transition period.

Table 1 – Side-by-side Comparison of Withholds

Withhold Year	Home Health Proposed Rule Withhold	H.R. 3298 Withhold
2018	5%	N/A
2019	5%	N/A
2020	6%	3%
2021	8%	4%
2022	8%	5%
2023	N/A	6%
2024	N/A	7%
2025	N/A	8%

Quality Measures

CMS proposed to use 25 quality measures in the home health VBP pilot. H.R. 3298 proposes to use one quality measure—the Medicare Spending per Beneficiary (MSPB) measure. The more measures providers are asked to focus on, the poorer the overall performance will be across all measures. Reporting of twenty-five measures is too burdensome for providers. Rather than dictate which aspects of care are important, H.R. 3298 sets one clear performance target and allows providers to choose for themselves what to focus on in order to achieve a singular outcome. The MSPB measure is used in several other successful VBP programs, including for hospitals and physicians, and it is a mandated measure from the Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014.

CMS did not provide any detail on how the measures proposed for the home health VBP program align with the bipartisan IMPACT Act. Many of the proposed measures overlap with IMPACT Act measures, including: functional status, falls, wounds/pressure ulcers and medication reconciliation. It seems as if CMS crafted the home health VBP proposal with an utter disregard for the IMPACT Act. This is alarming for reasons that go beyond home health. The IMPACT Act sets the standard for aligning measures and data elements across all four post-acute care settings. CMS’ home health VBP proposal threatens the very nature of the carefully crafted plan to break down the silos in the Medicare program that exist among post-acute care.