COMMITTEE ON WAYS AND MEANS
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Congress of the United States
House of Representatives
Washington, DC 20515

March 3, 2015

The Honorable Kevin Brady
Chairman
Subcommittee on Health
Committee on Ways and Means
1135 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady:

The legislative process does not stop once a bill is signed into law. A functional Congress will thoughtfully revisit legislation in the years following enactment in order to ensure that the law is implemented efficiently and correctly. If changes are necessary, it is the responsibility of the Congress to make those changes. To that end, I draw to your attention two important issues that I believe the Subcommittee on Health should examine through hearings during the 114th Congress.

The first issue is the trend of consolidation in the health care system. As the country transitions toward payment models that rely upon integration of care and increased coordination between providers, the risk of unintended consequences warrants increased scrutiny. In particular, the growing number of acquisitions of small physician practices by major health systems has concentrated enormous market power in the hands of fewer and fewer entities. Some hospitals have even acquired – or have themselves been acquired by – insurance companies, raising numerous questions regarding the delivery of patient care. Many issues remain unresolved, and there is evidence that such consolidation may have negative consequences, potentially leading to decreased competition, fewer choices, and increased costs for patients.

It is essential that we learn more about how this trend affects the health care system. To begin this conversation, I have called on the Government Accountability Office to study the implications of increased hospital consolidation. I also believe that this is an area that the Subcommittee on Health should examine carefully. I encourage you to hold a hearing that would allow Congress to take a look at the impact that consolidation is having on patients, providers, and taxpayers. By working together to constructively address this issue, I believe that we can find legislative solutions that strike the proper balance between harnessing the efficiencies of care coordination and preserving competition in health care markets.

The second issue that the Subcommittee on Health must address is the future of the premium tax credits, which are making health insurance affordable for millions of American families. This is particularly important as the Supreme Court considers the case of King v. Burwell, a lawsuit

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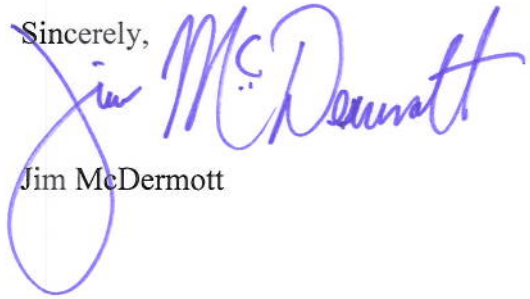
seeking to rewrite the text of the Affordable Care Act and take tax credits away from millions of Americans who live in states that rely on the federal exchange. Although I fully expect the Court to uphold the subsidies, the majority has a responsibility to prepare for the opposite result.

A number of Republicans have recently criticized the Administration for not announcing a contingency plan in the event that the Court hands down an unfavorable decision. However, despite enjoying complete control of both chambers of the Congress, the majority has provided few details as to its own contingency plan. In the American system of government it is the responsibility of the Congress – not the president – to write the laws. The party that controls the legislative branch owes the American people a clear explanation as to how it intends to preserve access to affordable coverage and ensure stability in the insurance market if the Court dismantles this key provision of the law. Accordingly, I recommend the Subcommittee on Health hold a hearing to examine proposals to help the millions of families whose health security would be jeopardized in the event of an adverse Supreme Court decision.

Thank you for your consideration of these recommendations. I look forward to discussing the importance of both of these issues with you in the near future.

Sincerely,



Jim McDermott

cc: Chairman Paul Ryan
Committee on Ways and Means