Mr. Chairman, I am glad to see the committee taking interest in issues of post-acute care reform. There is much exciting work going on in this area but also much more that needs to be done. Our committee clearly has a role to play in advancing positive, beneficiary-focused reforms related to post acute care for Medicare beneficiaries.

We have a Medicare system right now with misaligned incentives, inaccurately priced payments, and little information on the quality or outcomes of beneficiaries served by post acute providers like skilled nursing facilities, home health agencies, or rehabilitation facilities. And, Medicare spending in this area is increasing rapidly. It was 62 billion dollars in 2012.

The Affordable Care Act recognized these issues and set the stage for post acute care reform, by putting in place a number of stepping stones for PAC reform. Medicare is testing a number of payment system reforms that will help improve care and outcomes in this area.

We know there is a lot of variation in the quality, outcomes, and costs of PAC around the country. The need for PAC is not well defined. We also know there are more efficiencies and improvements to payment accuracy that must be done – and some of those can be done now. Before we can envision a wholesale redesign of the payment system, however, we need more data. We do not have any common and comparable data across providers like skilled nursing facilities, home health agencies, and others, to determine which patients fare best in which settings, or even what appropriate levels of care are for patients of varying acuity.

I commend the Ways and Means and Finance Committees for putting out draft legislation on that issue to get the discussion started. I also commend MedPAC for diligently reminding Congress of the misaligned incentives and need for action. Their work and recommendations should be a useful guide for our efforts.

I hope that we can continue the bipartisan tone in this area and work to develop some exciting solutions in the near future.