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ONE HUNDRED FOURTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**

COMMITTEE ON ENERGY AND COMMERCE

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February 27, 2015

Mr. Richard J. Umbdenstock  
President and Chief Executive Officer of the American Hospital Association  
800 10th Street, N.W.  
Two CityCenter, Suite 400  
Washington, D.C., 20001

Dear Mr. Umbdenstock:

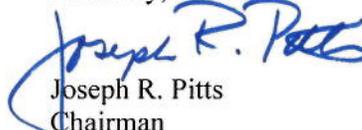
Thank you for appearing before the Subcommittee on Health on Thursday, January 22, 2015, to testify at the hearing entitled "A Permanent Solution to the SGR: The Time is Now."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Friday, March 13, 2015. Your responses should be mailed to Adrianna Simonelli, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C. 20515 and e-mailed in Word format to [Adrianna.Simonelli@mail.house.gov](mailto:Adrianna.Simonelli@mail.house.gov).

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,

  
Joseph R. Pitts  
Chairman  
Subcommittee on Health

cc: Gene Green, Ranking Member, Subcommittee on Health

Attachment

## Attachment—Additional Questions for the Record

### The Honorable Joseph R. Pitts

1. One of the worries that some have expressed about making changes to Medigap is that lower-income seniors could face higher cost-sharing. However, with nearly one in three beneficiaries today enrolled in a Medicare Advantage plan, do you think that the Medicare Advantage plans—which all offer full catastrophic protection—would be a viable alternative to Medigap for many of the impacted beneficiaries?
2. In your testimony, you commented on the Independent Payment Advisory Board (IPAB). Created by the Affordable Care Act (ACA), IPAB is a commission appointed by the president and empowered to establish reimbursement rates for the Medicare program. If the Commissioners are not appointed or fail to make a recommendation when required, under the law, the Secretary of HHS is the default IPAB. You said AHA is “supports the repeal of IPAB, because its existence permanently removes Congress from the decision-making process, and threatens the important dialogue between hospitals and their elected officials...” Please explain which policy worries you more over the long-term – the status quo in SGR, or the IPAB?
3. As you know, for us to be successful in getting SGR reform passed into law, we need willing partners in the Senate – and at the other end of Pennsylvania Avenue at the White House. Please outline in detail what your organization has been doing since January 1, 2015 to support a permanent SGR fix with bipartisan offsets, including actions such as:
  - Meeting with White House officials on the need to repeal SGR this year and pay for it with bipartisan offsets
  - Meeting with House Democrats on the need to repeal SGR this year and pay for it with bipartisan offsets
  - Meeting with Senate on the need to repeal SGR this year and pay for it with bipartisan offsets
  - Meeting with Senate Democratic leadership on the need to repeal SGR this year and pay for it with bipartisan offsets
  - Designing or implementing public advocacy efforts to inform consumers and seniors of on the need to repeal SGR this year and pay for it with bipartisan offsets

### The Honorable Eliot Engel

1. I have been hearing from the physician community in New York for years about their growing frustration at the constant threat of significant reimbursement cuts. They frequently mention that the cost of running their practice is increasing each year and they are trying to properly treat patients with increasingly complicated medical conditions. All the while, facing double digit reimbursement cuts. It just isn't right.
  - a. Can you elaborate on why it is urgent for physicians and patient access to care that Congress reform the Medicare reimbursement system now and how another patch would be detrimental to our Medicare program?

2. As this country moves towards a more integrated health care system, we cannot pretend that making dramatic cuts to one aspect of the health care system won't impact other parts of it. The entire health care system is focused on keeping people healthy and out of the hospital. As a result, hospital-based outpatient department clinics are providing access to all for safe, high tech and high quality health care services. These services can prevent more expensive inpatient hospital care. We need efficient modes of delivering the right type of care, but we also have to recognize the unique capabilities of specific facilities and adequately compensate these facilities for the care they provide, whether it is hospital based doctor's office or an academic medical center. I am concerned that broad "site-neutral" reimbursement policies fail to make this distinction.
3.
  - a. Can you highlight why implementing site-neutral payment could hinder efforts to reform our delivery system so that patients are getting the right health care services in an optimal location?

I am particularly concerned about proposals that would cut Graduate Medical Education (GME) funding to pay for the permanent SGR repeal. One in six physicians obtains some training in my home state of New York, and we have some of the finest academic medical centers in the country. Academic medical centers are tasked with treating some of the most complex, severely ill patients, but as we all learned this past fall, they are also some of the first institutions we turn to when significant health care crises emerge, like Ebola. The capability of institutions like Bellevue and the ten other hospitals in New York designated to treat Ebola patients doesn't happen in a vacuum. It requires significant funding and time to develop the infrastructure and expertise necessary to handle these critical situations. GME plays a vital role in the ability of our health care system to properly respond to these emergencies.

- b. Can you elaborate on the impact any of the proposed GME cuts would have on the ability of our academic medical centers and other sophisticated hospitals to be adequately prepared for the variety of health related emergencies that arise?

### **The Honorable Ben Ray Lujan**

1. The current Sustainable Growth Rate (SGR) Medicare payment system is unsustainable and needs to be fixed. In New Mexico, I continue to hear from providers and seniors about their frustration with SGR and the uncertainty that it creates. We cannot continue to patch this broken system, and we've been talking about a permanent fix for years. We need to deal with this now, and I support the bipartisan/bicameral SGR structural reform that was crafted last Congress that is supported by both provider and beneficiary groups.
  - a. In New Mexico there is a shortage of primary care physicians. Can you speak to how delivery system reform is connected to SGR repeal? How do you see the move away from fee for service impacting doctors' participation in Medicare?
  - b. Given all we know about the impact of primary care on quality, patient satisfaction, and costs, what more do you believe we should do to promote and support our primary care physicians?