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SECTOR**
HEALTHCARE
ROUNDTABLE

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May 6, 2016

Sylvia Matthews Burwell
Secretary
U.S. Department of Health
and Human Service
200 Independence Avenue, SW
Washington, DC 20201

Andrew Slavitt
Acting Administrator
Centers for Medicare and
Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Burwell and Acting Administrator Slavitt:

On behalf of the Public Sector HealthCare Roundtable, as well as those public sector health care purchasers listed below, we would like to express our support for the recent CMS proposal to test new Medicare Part B prescription drug models to improve quality of care and deliver better value for Medicare beneficiaries. This proposal represents an important step in encouraging high-value care and smarter spending and will provide much needed financial relief for millions of Medicare beneficiaries.

The Public Sector HealthCare Roundtable is a non-profit, non-partisan coalition of public sector purchasers from across the U.S. including states, counties, and municipalities that collectively spend over \$14 billion annually on health care benefits to provide coverage for millions of employees, retirees, and their dependents. We are squarely focused on ensuring that seniors – and especially those who rely on critical prescription medications to manage their health conditions – receive care that is of the highest-quality, well-coordinated and affordable. CMS' proposed Part B prescription drug model aligns with this focus, and we support the forward progression of this proposal.

Recognizing that retirees have cost-sharing associated with Part B administered drugs, this proposal will address and ameliorate perverse incentives under the current payment formula that encourage providers to prescribe higher priced drugs under Medicare. While plans work to minimize cost-sharing for prescription drugs for their retirees, even a minimal coinsurance can still amount to a significant sum when considering some of the higher priced drugs that may be prescribed. Further, we support testing the implementation of the value-based purchasing tools that CMS has outlined as potentially successful pricing strategies in the context of payment for Part B drugs. While we strongly urge CMS to move forward with value-based purchasing initiatives, we do not support proposals that would lead to increased costs for our members and the public sector employees and their dependents we serve.

The Roundtable, together with the plans listed below, appreciates the opportunity to provide comments on this proposed rule based on the experience of our members and our desire to support proposals that expand innovative models of

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Acting Administrator Andrew Slavitt
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care delivery while constraining health care cost growth. We strongly encourage CMS to move forward with new payment models for prescription drugs and we look forward to working with you and the broader stakeholder community to this end.

Please do not hesitate to contact the Public Sector HealthCare Roundtable Senior Policy Advisor, Andrew MacPherson, at andrew@healthsperien.com should you have any questions or would like further information.

Sincerely,



GARY HARBIN, *President*
Public Sector HealthCare Roundtable

Health Plans:

California Public Employees Retirement System
Colorado Public Employees Retirement Association
Kentucky Teachers Retirement System
Missoula County, Montana
Ohio Public Employees Retirement System
School Employees Retirement System of Ohio
State of Montana