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4TH DISTRICT, PENNSYLVANIA

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Congress of the United States
House of Representatives
Washington, DC 20515

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**IMPROVE THE QUALITY OF PATIENT CARE THROUGH
VALUE-BASED PURCHASING IN MEDICARE
COSPONSOR THE QUALITY FIRST ACT**

Dear Colleague:

The U.S. spends more per capita on health care than any other country in the world, yet does not achieve better health outcomes on several major indicators. Part of the problem is that the financial incentives in our health care system are aligned to reward the number of services provided rather than the quality of the care provided. It is time to realign incentives to reward both service *and* quality.

Structuring payments to reward quality has been recommended by health policy organizations ranging from the Institute of Medicine to the Medicare Payment Advisory Commission (MedPAC). Moreover, a demonstration project with 250 hospitals undertaken by the Centers for Medicare and Medicaid Services (CMS) with the Premier healthcare alliance found that financial incentives significantly boosted performance by hospitals. According to CMS, hospitals participating in the demonstration raised overall quality by an average of 15.8 percent over three years. In fact, an analysis of the project showed participating hospitals scored on average 7.5 percentage points higher than non-participating hospitals when evaluated on 19 common quality measures. These improvements saved the lives of an estimated 2,500 heart attack patients alone across the first three years of the project. If the same results were replicated among all hospitals nationwide, 70,000 deaths per year could be prevented.

In November 2007, CMS released its *Plan to Implement a Medicare Hospital Value-Based Purchasing Program* to Congress and since then MedPAC and the hospital community have commented on the proposal. Incorporating many of their suggestions, I introduced the Quality FIRST Act to implement a Medicare value-based purchasing program for hospitals that adjusts reimbursements to reflect the quality of patient care delivered and encourage its continual improvement.

Hospitals would be rewarded for their performance on process measures for the four specified conditions that are currently reported to CMS and publicly available on the Hospital Compare website. Once fully implemented, a hospital would have the opportunity to earn up to 2% of its reimbursements should it meet the established quality benchmarks or improve its performance on the quality measures. HHS would have the authority to develop and add new measures on patient outcomes, care coordination, patient safety, and more to the program. The entire program would be established in a budget neutral manner.

Please join me as a cosponsor of the Quality FIRST Act to ensure that we get better value for our health care dollar, while improving the quality of patient care. For more information, please contact Erik Komendant at (202) 225-2565 or erik.komendant@mail.house.gov.

Sincerely,

A handwritten signature in blue ink that reads "Jason Altmire".
Jason Altmire