

Rep. Peter Welch and a coalition of House members announced a breakthrough Thursday morning in reforming the Medicare payment system to reward quality health care.

At a Capitol Hill press conference, Welch and the other members outlined the deal, which will change the way Medicare pays health care providers for services from its current system focused on volume of care to a quality and value-based system. By making reimbursement rates more equitable, states like Vermont with higher quality and lower cost care are expected to benefit from the agreement.

“By rewarding quality – not quantity – of care, this agreement will save taxpayers billions of dollars and reduce costly, unnecessary procedures that fail to improve patient outcomes,” Welch said. “Reforming the current fee-for-service model is among the most critical elements of health care reform, and this breakthrough represents a significant step forward.”

The Quality Care Coalition’s compromise added language to the health care reform bill changing Medicare to a quality-based payment system in two years. Specifically, the compromise would require the Institute of Medicine to conduct two studies on geographic variations and quality metrics. At the end of the two year study period, Medicare would switch to a quality-based reimbursement system unless Congress specifically cast a vote to disallow that change.

Since the start of the health care reform debate, Welch has highlighted the work of Dr. Elliott Fisher and the Dartmouth Institute for Health Policy Research in identifying geographic disparities in Medicare reimbursement. Welch introduced legislation creating Accountable Care Organizations, which was included in the Energy and Commerce version of the health reform bill.