



August 20, 2018

Senator Bernie Sanders
332 Dirksen Building
Washington, D.C. 20510

Dear Senator Sanders:

Health Care For All – Minnesota and Physicians for a National Health Program – Minnesota thank you for your work to bring affordable and comprehensive health care to all Minnesotans through passage of S.1804. HCAMN and PNHP-MN represent a combined total of over five thousand concerned Minnesotans, including health care providers.

We are writing to ask you to make two changes to S.1804 that we believe will bring the bill closer to our shared ideals of both cost-effectiveness and equitable, universal access to care. We urge you to delete Section 611(b) from the bill, and to add to the bill the provisions in HR 676 that authorize budgets for hospitals and uniform fee schedules for physicians.

We are particularly concerned about Section 611(b) because it will produce two destructive effects: It will eliminate or severely restrict S 1804's capacity to cut costs, and it will exacerbate existing income and racial health disparities. That section would authorize the Secretary of the Department of Health and Human Services to apply to the non-elderly the "value-based payment" programs currently applied to Medicare under the Affordable Care Act and the Medicare Access and CHIP Reauthorization Act (MACRA).

While "value-based payment" is a felicitous label, none of the programs implemented by CMS that are supposed to maximize value have done so. The evidence indicates those programs are not lowering costs and some of them, notably "accountable care organizations" (ACOs) and the Merit-based

Incentive Payment System authorized by MACRA, are exacerbating income and racial disparities. These “reforms” exacerbate disparities because CMS is unable, despite decades of trying, to adjust measures of cost and quality (the two elements of “value”) so as not to punish providers who treat sicker and poorer patients.

The attached, brief paper by Kip Sullivan, Chair of HCAMN’s Policy Advisory Committee summarizes the evidence supporting our criticism of “value-based payment.” The paper reviews seven of CMS’s current “value-based-payment” programs. We are concerned first and foremost about ACOs because they cover so many people and virtually all of the diseases and conditions which cause people to visit doctors and hospitals. ACOs, like all other “value-based payment” programs, shift insurance risk onto doctors and other providers. This forces providers to behave like insurance companies, that is, to incur the costs insurance companies incur to manage risk, and to deny necessary services to patients.

Experience with the Affordable Care Act clearly shows that it is counterproductive to attempt to reduce the uninsured rate without real cost containment. If we do not get it right now, public exasperation will grow. It is doubtful we will be given a second chance if we pass S 1804 in its current form and it fails to cut costs. To avoid that outcome, we urge you to delete Section 611(b) and add the provisions in HR 676 that authorize hospital budgets and uniform fee schedules for individual providers.

We very much appreciate your support of health care for all.

Thank you.

Yours truly,

Ron Jankowski
Chair, Health Care for All, Minnesotans

Brian Yablon,
Chair, Physicians for a National Health Program, Minnesota

cc: Senator Amy Klobuchar
Senator Tina Smith