

United States Senate
WASHINGTON, DC 20510-7110

March 16, 2018

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Azar:

During your confirmation process, you demonstrated an interest in advancing payment and delivery system reform and an understanding of the importance of this work. Improving quality while reducing health care spending is an achievable goal that Republicans and Democrats share. We write to impress upon you that as the current administration evaluates the previous administration's efforts, it should not walk away from having clear priorities and goals for advancing payment reform and improving quality, and providing the guidance needed to achieve them.

At your nomination hearing in the Health, Education, Labor, and Pensions Committee, you said "[Medicare] is the only payer that sits there with enough concentration of lives to change the system." We agree. As the largest purchaser of health care in the United States, the federal government needs to send a strong signal that paying for volume via fee-for-service is not the direction in which our health care system is headed. Any real or perceived absence of federal leadership will slow private-sector momentum toward alternative payment models.

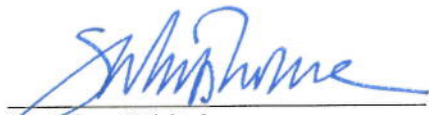
Retaining momentum is important because the United States has the most expensive health care system in the world, and because health care providers, insurers, states, and other stakeholders across the country have made significant investments to change where, how, and what health care services are delivered to their patients. These investments were made with measured trust in commitments made by the Centers for Medicare and Medicaid Services (CMS) and its Innovation Center to continue down this path. Without your focused attention on moving forward, in addition to looking back, our health care system is at serious risk of backsliding on the progress Medicare, private payers, and states have made in changing the way they pay for care.

You have an opportunity to galvanize action among public and private health care stakeholders by setting clear and measurable targets for payment reform, and corresponding goals for quality improvement and reducing costs. We urge you to take up this cause, and to do so explicitly and thoughtfully. Leading health care experts and private sector partners strongly support these

ideas, are supportive of CMS's leadership role, and are willing to provide thoughtful advice on metrics and goals for payment and delivery system reform.

With that in mind, we would appreciate the opportunity to hear from you directly on the goals you are setting in this area, the role of the CMS Innovation Center in meeting those goals, how you are conveying those goals to stakeholders, and how your evaluation of the previous administration's work is informing your approach. We would also be interested in hearing what additional steps Congress could take to further advance our shared goal of delivery system reform. Please contact Jen DeAngelis (Jen_Deangelis@whitehouse.senate.gov) and Matt Gallivan (Matt_Gallivan@cassidy.senate.gov) on our staffs to arrange a time for this discussion.

Sincerely,



Sheldon Whitehouse
United States Senator



Bill Cassidy, M.D.
United States Senator

cc: Seema Verma, Administrator, Centers for Medicare and Medicaid Services