



MASSACHUSETTS

Cleve L. Killingsworth
Chairman and Chief Executive Officer

Landmark Center
401 Park Drive
Boston, MA 02215-3326

617.246.3310

June 22, 2009

The President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

During the campaign, we had an opportunity to speak, and you asked me to make sure I offered any advice I could on how to fix the health care system. This is why I write today.

Mr. President, your vision for real reform in health care is at great risk if current proposals do not go beyond coverage and bring more emphasis on the imperative to improve the health care delivery system.

Study after study has documented the delivery system's waste and ineffectiveness. I am sure you are aware of how many millions of people are harmed by the delivery system every year. These studies also suggest that eliminating the overuse, underuse and misuse of clinical services will reduce harm and lower costs. In fact, eliminating unwarranted variation in clinical care could save \$690 billion a year.

In Massachusetts, we have already expanded coverage to nearly all residents. As we turn our attention to making care more affordable, it is clear that reducing the cost of care will not be achieved by simply restricting the price that providers charge. Doing so only encourages them to make up the lost income by providing more services.

To achieve the change we need, the delivery system has to be re-tasked. Instead of rewarding providers and caregivers for how much care is delivered, the system must be focused on the primary goal of safe and effective care. We know that this can be accomplished by changing the incentives that drive provider behavior. Americans must learn that more care isn't better care; better care is better care.

In Massachusetts, we have embraced this approach. We are inventing new ways of contracting with doctors and hospitals that combine global payments with new outcome-oriented quality incentives. Our goal is to achieve and sustain medical cost trend equal to the consumer price index over the next few years.

As the nation expands coverage, its progress toward affordable, high-quality care would be greatly advanced if Medicare embraced global payment with quality incentives as its central payment model. Because global payment reduces the need to process claims, this shift would also reduce administrative costs for both providers and insurers.

Therefore, I urge you to require these payment reforms in Medicare as part of any new legislation.

The President

June 22, 2009

Page 2

Mr. President, if we don't change the delivery system by reforming how we pay for care, we will lose this historic opportunity to create a high-quality, cost-effective health care system for all Americans. As the legislative process evolves over the next few months, we stand ready to help in any way you feel would be most constructive.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cleve L. Killingsworth', with a long, sweeping horizontal stroke extending to the right.

Cleve L. Killingsworth

kmr