

United States Senate

WASHINGTON, DC 20510

August 1, 2013

Jeanne Lambrew
Deputy Assistant to the President for Health Policy
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20050

Dear Ms. Lambrew:

We write to urge the Administration to identify and announce a cost-savings target for health care delivery system reform provisions that reduce federal health spending. Recently, several Members met to discuss ongoing projects and interests related to delivery system reform, and coordinate caucus efforts on these issues. There is agreement that leadership from President Obama in setting a cost-savings target would encourage rapid and purposeful implementation of delivery system reform and in doing so, expedite the path toward a more sustainable health care system.

Economists across the political spectrum agree that significant savings can be achieved in our health care system without negatively affecting the quality of care. The President's Council of Economic Advisors estimated that over \$700 billion a year can be saved without compromising health outcomes; the Institute of Medicine has put this number at \$750 billion; the New England Healthcare Institute reported that it is \$850 billion annually; and the Lewin Group and former Bush Treasury Secretary Paul O'Neill have estimated the annual savings at \$1 trillion.

Whatever the exact savings number, a clear and specific presidential target will focus federal efforts in an accountable manner that calls to "bend the health care cost curve" will not. With so many voices in Washington calling for cuts to Medicare and Medicaid, cost savings through delivery system reforms are key to preserving and strengthening these programs without hurting the middle class. Without a specific target declared by the executive branch of government, advocates for such a strategy are left at sea in this debate.

An added challenge to proponents of delivery system reform is the difficulty in pinpointing "scorable" savings related to delivery system reform. We believe setting a cost-savings target would give us a meaningful number at least to talk about, if not "score." As you know, these reforms are shifting our health care system toward new payment and care delivery models that prioritize value, quality, and patient-centered care. This type of systemic and cultural change is difficult, but it is the path to long-term and sustainable savings in our health care system.

Thank you for your consideration of this request. We look forward to future conversations about setting a cost-savings target, and are ready to work with the Administration on this effort.

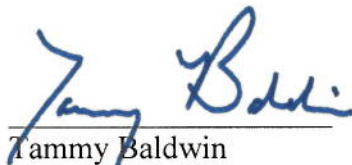
Sincerely



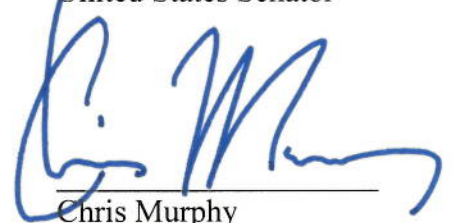
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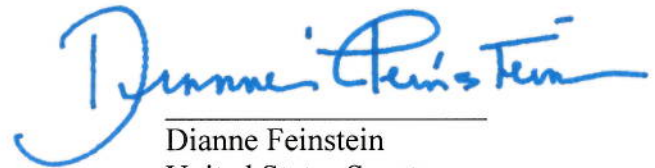
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Chris Murphy
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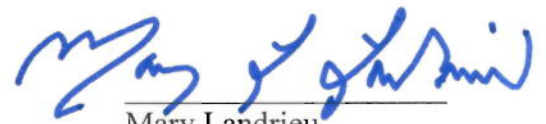
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United States Senator



Dianne Feinstein
United States Senator



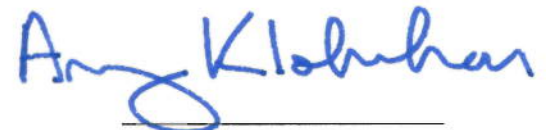
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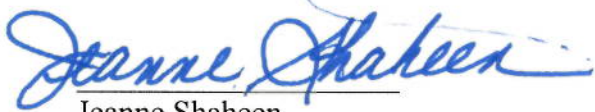
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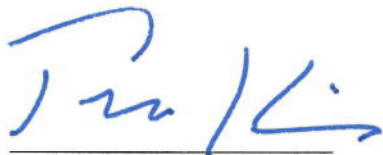
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