

August 7, 2009

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Chuck Grassley  
Ranking Member  
Senate Finance Committee  
Washington, D.C. 20510

Dear Senators:

The members of Divided We Fail are united in our agreement that health care costs are rising too rapidly. We need to pay for improved value in the system and reward good results for our health care dollar. We must bring down health care inflation to preserve benefits and coverage, to encourage job growth in businesses, and to reduce federal budget deficits.

Together, all members of Divided We Fail have supported investments in health information technology, research to better understand which treatments and technologies work best for different patients, and giving patients and purchasers more information on price and quality of health care services. We support changing public and private payment for health care services to promote prevention, care coordination, error reduction, and to reward better outcomes. We support stepped up enforcement to crack down on health care fraud.

Divided We Fail urges Congress and the Administration to find ways to slow the growth of health care spending. We believe that proposals should also be judged beyond the narrow view of CBO - - which considers only federal spending in evaluating the budgetary impact of health care legislation -- to determine its broader impact on the economy and on private spending as well. Divided We Fail urges Congress and the Administration to accelerate more innovative payment mechanisms such as bundling and pay for performance to encourage prevention, care coordination, and improved results. We believe more aggressive payment reforms that encourage prevention, reward primary care, and solve health care worker shortages in rural and urban areas will generate savings for BOTH public and private purchasers.

Further, we believe that health care dollars can be spent more effectively, and we support identifying savings within the health care system to use for expanding coverage. It is time for bold and bipartisan solutions that all Americans can support to expand coverage and reduce health care costs. Payment changes, greater understanding of the costs and quality of the services, and ensuring that the health care system adopts 21<sup>st</sup> century tools to become more efficient is a good start. We believe more can be done and we are ready to work with you to find meaningful solutions.

Sincerely,



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