

July 19, 2017

U.S. House of Representatives
Washington, D.C. 20515

Dear Representative,

On Thursday, the House Energy and Commerce Subcommittee on Health will hold a hearing on “Examining Bipartisan Legislation to Improve the Medicare Program.” One of the bills under examination will be H.R. 849, the Protecting Seniors’ Access to Medicare Act of 2017, sponsored by Rep. Phil Roe (R-Tenn.), with 209 Republican and 43 Democratic co-sponsors. While there is certainly a lot of disagreement on how to repeal and replace the Patient Protection and Affordable Care (ACA), or Obamacare, there is bipartisan agreement that the Independent Payment Advisory Board (IPAB), which was established under ACA to reduce the per capita growth in Medicare expenditures, should be repealed. The undersigned organizations agree that IPAB needs to go.

IPAB is supposed to be composed of a 15-member unelected board, appointed by the president. While the ACA bars IPAB from raising premiums, increasing cost sharing, or restricting benefits for beneficiaries, it can cut payments to doctors, hospitals, and other providers. Reduced payment rates will encourage providers to treat fewer Medicare beneficiaries, raise prices for private sector consumers to offset their losses from seeing Medicare patients, or both. Even though the ACA specifically states the board cannot “ration” care, that is a distinction without a difference; if a physician must reduce the number of Medicare patients he or she treats because of reduced rates, seniors by default will have their care rationed. Moreover, IPAB’s decisions are not subject to judicial review and legislative oversight.

But IPAB’s power goes beyond controlling Medicare outlays. ACA requires the board to consider the private sector’s effects on healthcare costs. It has the authority to write regulations that modify both government and private healthcare, provided IPAB finds that its edicts are related to Medicare.

Because of IPAB’s unprecedented power, members of Congress from both sides of the aisle have long opposed its existence. In the 115th Congress, three bills have been introduced to put an end to IPAB. In addition to Rep. Roe’s legislation, Sen. Ron Wyden (D-Ore.) introduced S. 251, the “Protecting Medicare from Executive Action of 2017,” which has 12 Democratic cosponsors. Sen. John Cornyn (R-Texas) has introduced S. 260, “The Protecting Seniors’ Access to Medicare Act,” which has 36 Republican cosponsors and is identical to Rep. Roe’s legislation.

While the Medicare Trustees 2017 Annual Report, released on July 13, declares that the program will remain solvent until 2029, this should not be an invitation for complacency. Too much power is being vested into an unelected board, or one person, the secretary of Health and Human Services, if the board has taken no action to prepare a proposal to cut spending.

It is imperative that IPAB be repealed as soon as possible and decision-making and spending authority be returned to Congress before Medicare costs reach the threshold that would trigger action by the board. We urge House leadership to bring H.R. 849 to the floor for a vote and send it to the Senate. Our goal is to see President Trump sign a bill repealing IPAB as soon as possible.

Sincerely,

Council for Citizens Against Government Waste
Thomas Schatz
President

National Taxpayers Union
Pete Sepp
President

Independent Women's Voice
Heather R. Higgins
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Naomi Lopez Bauman
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American Conservative Union
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Small Business & Entrepreneurship Council
Karen Kerrigan
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Virginians for Quality Healthcare
Nancy Piotter
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