

June 19, 2015

Chairman Orrin Hatch United States Senate 104 Hart Office Building Washington, DC 20510

The Honorable Johnny Isakson United States Senate 131 Russell Senate Office Building Washington, DC 20510 Ranking Member Ron Wyden United States Senate 221 Dirksen Senate Office Building Washington, DC 20510

The Honorable Mark Warner United States Senate 475 Russell Senate Office Building Washington, DC 20510

Subject: Senate Finance Committee's Chronic Care Reform Working Group

Dear Chairman Hatch/Ranking Member Wyden/Senator Isakson/Senator Warner:

UCB is a global biopharmaceutical leader and innovator with its U.S. headquarters located just outside of Atlanta, Georgia. UCB has more than 2,500 employees located throughout the United States.

I am writing in response to the Senate Finance Committee's chronic care reform working group letter dated May 22, 2015, in which you seek "recommendations and thoughtful policies from health care stakeholders based on real world experience and data-driven evidence that will improve care for those with chronic conditions." We commend you for your leadership in addressing the complex issues outlined in the letter and appreciate your commitment to conducting an in-depth analysis of potential legislative solutions.

In furtherance of UCB's mission to discovering and developing innovative medicines for people suffering from severe chronic diseases, UCB invests approximately 28% of our revenue in cutting-edge scientific research to meet unmet patient needs. The promise of biopharmaceutical innovation continues to be a guiding light for advancements in patient care and meaningful medical improvement, especially for those who suffer from chronic conditions.

As you begin your important work, we would like to highlight the following key areas that we recommend be addressed by the Senate Finance Committee during this process:

<u>Rewarding Innovation</u> – Many of the efforts to transition from a fee-for-service payment model to a prospective payment model rely on retrospective assessments of costs and quality of care, and potentially deter providers from using innovative technologies that may be more expensive than traditional options. As such, providers may be reluctant to adopt new technologies that may offer valuable improvements in care to patients. When developing alternative payment models, UCB urges the Senate Finance Committee to address the use of new technology by providers to ensure patient access to cutting-edge care and reward medical innovation.

- <u>Empowering the Patient</u> Many reform efforts have focused on provider incentives, but have not adequately engaged the patient or beneficiary. UCB encourages the Senate Finance Committee to make patients and beneficiaries more central to the discussion on payment reforms and the improvement of care for chronic conditions.
- <u>Appropriate Risk for Providers</u> Increasingly, care delivery and payment model reforms being evaluated by the Center for Medicare and Medicaid Innovation, measure providers based on the total cost of care of a patient. The impact of these approaches may result in provider altering their clinical decision making to satisfy financial measures rather than drive optimal clinical outcomes. UCB suggests that the Finance Committee address the appropriateness of providers bearing financial risk and the impact that such risk assumption may have on patient care
- <u>Actionable Data</u> Currently, Medicare payment systems have a 2 year lag, and it is not realistic that this can be accelerated. UCB suggests the Committee address how we ensure equity in such a system, while also providing a "learning system" for providers to make improvements in response to the data.
- <u>Transparency in Pathway Development Process</u> Increasingly, government and commercial payers are adopting clinical protocols and pathways to direct patient-care by providers. Often these clinical pathways remove independent-physician autonomy from treatment decisions. UCB suggests the Committee evaluate options to increase transparency and accountability in the pathway and protocol development process.

UCB stands ready to work with the working group and other members of the Senate Finance Committee and looks forward to a continued dialogue with Members to ensure that patients have access to high quality care that is most appropriate for them.

Kind Regards,

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