

**April 1, 2009**

(WASHINGTON, D.C.) -- Today, U.S. Congressman Jason Altmire (PA-04) announced that he has introduced forward-looking health care legislation that will improve quality of care and lower costs. The Quality FIRST Act (H.R. 1776) modernizes the current Medicare reimbursement system by adjusting hospital reimbursements based on the quality of care provided, rather than simply on the number of visits, services, and procedures performed. Altmire is a co-chair of the New Democrat Coalition's Health Care Task Force, a coalition of moderate Democrats committed to modernizing America's health care system.

**“Medicare currently reimburses hospitals based solely on the quantity of care they provide, a system that encourages more treatment and more spending,” Altmire said. “The Quality FIRST Act will modernize Medicare’s outdated reimbursement system and reward hospitals based on the quality of care they deliver. By doing this, we can both improve the quality of health care Americans receive and address our nation’s long-term budget crisis by saving the government billions of dollars.”**

With the Medicare Trust Fund projected to be insolvent in 2019, it is imperative that measures to control the cost of health care are implemented this year. Under the Quality FIRST Act, hospitals would have to earn two percent of their Medicare reimbursement payments based on their performance or level of improvement. Hospitals would be evaluated based on four quality conditions currently reported to the Centers for Medicare and Medicare Services (CMS). These conditions include how hospitals treat patients suffering from heart attacks, heart failure, pneumonia, and surgical infections.

**“The Quality FIRST Act would reward both excellence and improvements in quality, providing incentives for high performers to continue their excellent performance, and for all hospitals to adopt more quality improvements,” Rick Pollack, the Executive Vice President for the American Hospital Association wrote in a letter endorsing the bill. “It would use quality measures that are evidence- and consensus-based, statistically valid, and developed in an open and transparent process.”**

Studies have already shown that this model of value-based purchasing works. In 2003, CMS carried out a demonstration project with 250 hospitals. In this study, participating hospitals scored on average 7.5 percentage points higher than non-participating hospitals when evaluated on 19 common quality measures. These improvements saved the lives of an estimated 2,500 heart attack patients across the first three years of the project. If the same results were replicated among all hospitals nationwide, 70,000 deaths per year could be prevented. Furthermore, the Congressional Budget Office estimated in December that a nationwide expansion of the demonstration project would also save the federal government billions of dollars.