

Dear Chairman Grassley and Ranking Member Wyden,

On behalf of America's Health Insurance Plans (AHIP), the American Benefits Council, the Blue Cross Blue Shield Association (BCBSA), the ERISA Industry Committee (ERIC), the National Retail Federation, and the U.S. Chamber of Commerce, we thank the Committee for its work on the Patient Centered Outcomes Research Institute (PCORI) Reauthorization. We believe comparative effectiveness research (CER) is important, and PCORI serves as a trustworthy source of CER. PCORI plays a unique role by including the patient perspective every step of the way.

We greatly appreciate the Committee allowing PCORI to consider the full range of outcomes data as part of its scope. Rising health care costs impact us all -- consumers, providers, payers and taxpayers and, therefore, must be a critical consideration in PCORI's CER.

The *Patient-Centered Outcomes Research Institute Reauthorization Act (S.2897)*, is a thoughtful, bipartisan approach that we support. We appreciate the leadership and good-faith partnership from the lead sponsors of S.2897 and believe they crafted a reauthorization proposal that will serve all PCORI stakeholders in a meaningful way.

The PCORI reauthorization as currently proposed in the Prescription Drug Pricing Reduction and Health and Human Services Improvements Act differs from S.2897 in significant ways and undermines PCORI's ability to produce research that will benefit patients, taxpayers, providers, and health care purchasers. We support alignment between S.2897 and the reauthorization proposal included in the Prescription Drug Pricing Reduction and Health and Human Services Improvements Act.

Below we detail the changes we recommend to the Prescription Drug Pricing Reduction and Health and Human Services Improvements Act.

- **Improve Transparency and Accountability through Reporting.** Strengthening the annual reporting requirements of PCORI creates greater accountability and transparency to understand its performance and public impact. Requiring narrative statements of its funding announcements and detailing barriers encountered in conducting studies on an annual basis provides all stakeholders better information about how PCORI manages the public and private funds it receives. Public reporting of spending provides increased accountability for PCORI to produce results that would have a meaningful impact on patients, providers and health care purchasers. While we appreciate the inclusion of these reporting requirements in the GAO report, we believe annual reporting is necessary for appropriate transparency and accountability given the critical importance of the work and the size of the budget.
- **Increase Payer Representation to Seven Members.** Payers are a primary funder -- indeed the only private sector funder -- of PCORI, contributing a significant portion of the organization's budget. Payers should also be primary users of the research to inform decision making. As such, payers need a more significant voice on the board of directors to better reflect their interest and ability to influence the research agenda as well as their

required financial contribution to PCORI's budget. We recommend an increase in the proportion of private payer representation on the board of directors to at least 1/3 of the board or a total of 7 representatives.

- **Establish an Expert Advisory Panel.** PCORI's work is valuable, but often requires 4-5 years to complete. An accelerated research process would increase the value and timeliness of PCORI's results for consumers, providers, payers and other stakeholders. The establishment of an Expert Advisory Panel – including public and private payers and other experts – to provide direction on and ensure an accelerated process for more rapid studies that address gaps in evidence on comparative clinical effectiveness and appropriateness and inform decision-making.
- **Facilitate Access to Drugs and Devices.** One significant barrier to PCORI conducting comparative effectiveness studies of drugs, devices and technologies is the significant prices of the products themselves. Pharmaceutical, device and diagnostic manufacturers have a vested interest in understanding how effective their products are compared with similar treatments. Given that manufacturers also benefit from the research funded by PCORI, we recommend that manufacturers be required to offer their products to PCORI at an affordable price. Without the ability to fund comparative studies of drugs and other treatments, PCORI's research would have limited impact.
- **Include Dissemination Mandates.** If PCORI's study results do not get adopted by providers and patients, they would have little or no value for the significant investment of public and private financial resources. We recommend a clarification of congressional intent that PCORI and the Agency for Health Research and Quality (AHRQ) be required to disseminate study results and assess adoption among providers. Detailing such a requirement in any reauthorization proposal is an important added layer of accountability.

Without these additional changes to improve PCORI's effectiveness, we would not support a 10-year reauthorization as we do not believe PCORI has sufficiently demonstrated its value under the limitations with which it has operated. We appreciate the Committee's efforts to improve the effectiveness of PCORI.

Thank you for considering our views on how to improve the utility of PCORI. We stand ready to provide any assistance or information that would be helpful. We urge you to incorporate these changes and finalize this reauthorization as quickly as possible so PCORI can continue its important work.

Sincerely,
America's Health Insurance Plans
American Benefits Council
Blue Cross Blue Shield Association
ERISA Industry Committee
National Retail Federation
U.S. Chamber of Commerce

CC:

Senator Van Hollen

Senator Capito

Members of the Committee on Finance