

# Congresswoman Betty McCollum

*Serving Minnesota's 4th Congressional District*

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## **McCollum Addresses Inequities in Medicare Payments to 'High-quality, Low-cost' States**

**Washington, DC** – As the U.S. House of Representative finalizes its landmark comprehensive health care reform legislation, Congresswoman Betty McCollum (MN-04) took the lead in sending a bipartisan letter to Speaker Nancy Pelosi and the three Committees of jurisdiction urging them to resolve decades of Medicare geographic inequities as Congress gets close to a final bill. States, like Minnesota, that deliver high-quality, low-cost care are currently being penalized by the Medicare reimbursement formula, leading to calls for greater action to incentivize quality and efficient care.

“In order to move forward with health care that recognizes high quality and high performing care, we must first resolve these long standing inequities in reimbursements for states like Minnesota that deliver quality care and good health outcomes. We must take action now to ensure efficient care is rewarded so that reform can be successful for patients and those who deliver their care,” Congresswoman McCollum said.

The Congressional Budget Office report shows that there is significant regional variation in both Medicare and overall health care spending. Yet these spending differences do not necessarily improve health outcomes. In addition, studies suggest that moving to a coordinated delivery system could save Medicare upwards of \$100 billion a year.

The bipartisan letter states, “We represent states in which quality of care exceeds the national average and per-beneficiary fee-for-service Medicare costs are substantially lower than the national average, reducing overall Medicare costs. Our low-cost, high-quality states are setting the national standard for Medicare, yet we are penalized by the current Medicare reimbursement formula.”

Minnesota, Washington, Wisconsin, Oregon, Iowa, Nebraska, New Hampshire, Kansas, Virginia, Utah, Montana, Maine, Vermont, North Dakota, South Dakota, and Idaho are among the states that have suffered inequities in Medicare payments. A recent article in the New Yorker stated, “Rochester, Minnesota where the Mayo clinic dominates the scene, has fantastically high level of technology capability and quality, but its Medicare spending is in the lowest fifteen per cent of the country—\$6,688 per enrollee in 2006, which is \$8,000 less than the figure in McAllen, Texas.”

During a recent Weekly Address, President Obama cited the Mayo Clinic in Minnesota as one of the institutions that offers “some of the highest quality of care in the nation at some of the lowest costs in the nation. We should learn from their successes and promote the best practices, not the most expensive ones. That’s how we’ll achieve reform that fixes what doesn’t work, and builds on what does.”

***Congresswoman Betty McCollum (MN-4) serves on the House Appropriations & Budget Committees.***