



For Immediate Release

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**BAUCUS, CONRAD INTRODUCE BILL TO INVEST IN RESEARCH  
ON BEST PRACTICES IN HEALTH CARE**

*Finance, Budget Chairs would give doctors and patients more information  
on which treatments work best for which patients*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Senate Budget Committee Chairman Kent Conrad (D-ND) today introduced legislation to improve the quality of health care that Americans receive by ensuring doctors and patients have the best possible research and information on the effectiveness of different health care treatments.

**“Doctors and patients don’t have enough information on which treatments work best for which patients and that increases waste,”** said Baucus. **“Investing in research on best practices will drive down health care costs over the long run and will be an essential part of our effort to overhaul the health care system this year.”**

**“There are three principles to health care reform: choice, quality and cost. The fact is that our health care system is not as efficient as it should be, and that is driving up costs,”** Conrad said. **“With more research, patients and their doctors can make better choices about health care treatments -- meaning we could lower costs and improve health care quality and patient outcomes. Healthier people should mean lower health care costs.”**

The Baucus-Conrad bill, The Patient-Centered Outcomes Research Act of 2009, would establish a private, nonprofit corporation, called the Patient-Centered Outcomes Research Institute to generate scientific evidence and new information on how diseases, disorders and other health conditions can be treated to achieve the best clinical outcome for patients. Providing patients and doctors with more unbiased data on the effectiveness of the treatments available to them would reduce the rate of growth in health care costs, according to the Congressional Budget Office. An increased focus on health care research is expected to play a key role in comprehensive health care reform legislation expected to be considered in the Finance Committee this month.

The Institute would prioritize treatments for research – including surgical procedures, pharmaceuticals, medical devices, and other measures. Research would be conducted by trusted public and private organizations approved by the Institute’s diverse board of directors, which would include practicing doctors, patients, pharmaceutical and biotechnology makers. Understandable information would be made available to clinicians, patients, and the public, so all Americans will have more of the kind of information they need to avoid unnecessary treatments and be well-informed health care consumers.

Baucus and Conrad introduced similar legislation in the 110<sup>th</sup> Congress. The 2009 bill enhances the focus on patients and personalized medicine. The 2009 legislation also requires the Centers for Medicare and Medicaid Services to meet several requirements before allowing the use of any research, including from comparative effectiveness studies, in making coverage decisions. This transparent and iterative process includes allowing stakeholders and other individuals the opportunity to provide input and comment on draft proposals, incorporating all other relevant findings and evidence, in addition to comparative effectiveness research, and considering the impacts on patient subpopulations. A summary of the “The Patient-Centered Outcomes Research Act of 2009” follows here.

### **“The Patient-Centered Outcomes Research Act of 2009”**

**Finding Out What Works in Health Care** - The Patient-Centered Outcomes Research Act of 2009 establishes a private, nonprofit corporation, called the Patient-Centered Outcomes Research Institute to generate evidence through a transparent process on which health care interventions and services work and which ones don't. Comparative effectiveness research compares clinical outcomes, or the “clinical effectiveness,” of alternative therapies and health strategies for the same condition. The goal of this research is to provide better evidence – objective information – so doctors and patients can make informed decisions. The Institute will establish a national agenda of research priorities, based on the need for better evidence, disease burden, practice variations, the potential for improved care, and expenditures associated with a given health condition or care strategy. The Institute can contract with federal agencies, such as the Agency for Healthcare Research and Quality (AHRQ), and appropriate private entities to conduct the research, which will include both systematic reviews and primary research. Research findings will be publicly disseminated in ways patients and healthcare providers can easily understand. The Institute will be governed by a multi-stakeholder Board of Governors, including the Secretary of Health and Human Services (HHS), the Directors of AHRQ and the National Institutes of Health (NIH), and 18 additional members representing diverse public and private sector expertise and interests. These members will be appointed by the Comptroller General of the United States.

**Ensuring Credible and Objective Research** - A critical component of the Institute's mission will be to develop the field of comparative effectiveness research. To accomplish this, the bill requires the Institute to establish an expert methodology committee that is charged with developing the standards which must be used in the conduct of the Institute's research. To ensure adherence to these methodological standards and to the principles of scientific integrity, all research conducted through the Institute will be subject to public comment periods or a peer-review process. The methodology committee is also charged to work with the Institutes of Medicine to examine whether scientifically valid methods exist to assess aspects of the health care delivery system (such as benefit design) and efficiency and value in comparative effectiveness research. Furthermore, the Institute's placement outside of the government ensures that undue political influence is minimized, while regular reviews by the Government Accountability Office (GAO) ensure accountability.

**Transparency and Public Input** - The Institute will seek input from a broad array of stakeholders on a continuous basis throughout its activities, ensuring that the Institute's research is relevant to the needs of patients, physicians, and other stakeholders and that the research is disseminated in ways most useful to health care decision-makers. The Institute will establish expert advisory panels to make certain that its research and findings are relevant to decision-makers at the point of service. In the case of primary research or rare disease studies, relevant expert advisory panels will be convened to provide guidance on the research question, study design and structure as well as technical support. Furthermore, the Institute is encouraged to design research that looks at differences in clinical outcomes among patient subpopulations, such as racial and ethnic minorities, because their response to medical treatments may vary. The Institute is also required to establish formal public comment periods regarding many of its activities and to host forums for public input. Ultimately, the Institute will disseminate research findings, but will be prohibited from issuing practice or policy recommendations or coverage guidelines.

**Funding** - The Institute and its activities will be funded by contributions from both public and private payers, made available to the Institute through a Patient-Centered Outcomes Research Trust Fund (PCORTF). Contributions to the PCORTF will include general revenues, amounts from the Medicare Trust Funds phased-in to \$2 per beneficiary annually, and amounts from a \$2 fee per-covered-life assessed annually on insured and self-insured health plans. Five years after enactment, total annual funding for the Institute will reach nearly \$600 million, with the Medicare Trust Fund transfer and annual fee on insured and self-insured plans not taking effect until 2013.

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