



June 1, 2000

Jeffrey Kang, M.D., M.P.H.  
Director  
Office of Clinical Standards and Quality  
Health Care Financing Administration  
7500 Security Boulevard, S3-26-17  
Baltimore, MD 21244-1850

Re: Medicare Coverage Advisory Committee

Dear Dr. Kang:

I would like to express our sincere gratitude for the efforts of the Health Care Financing Administration to develop a coverage process that is open and predictable. As you know, an important part of that process is the Medicare Coverage Advisory Committee (MCAC), and we appreciate the work the agency is doing to ensure the committee provides needed input appropriately.

I understand that the agency has been giving considerable thought to how best to use the committee in the future. After reflecting on the role the MCAC has played to date, I would like to offer some suggestions regarding how we think HCFA could use the committee very productively.

As you may recall, HIMA has previously shared with HCFA some thoughts on the agency's use of MCAC. In our December, 1999 letter, HIMA raised three concerns:

- We were concerned that HCFA would announce to the MCAC new coverage criteria such as cost effectiveness without first going through the rule-making process.
- We emphasized the need to observe open door requirements for meetings of MCAC subcommittees.
- We expressed our problems with the use of chartered committees such as the MCAC to advise on policy issues rather than on technical issues. Technical subjects include whether, for example, a particular technology is "reasonable and necessary," and all of the subsidiary questions that are part of that broader question. In contrast, whether cost effectiveness should be a coverage criterion is a policy and legal question.

*World Leaders in Health Care Innovation*

1200 G STREET, N.W., SUITE 400

WASHINGTON, D.C. 20005-3814

(202) 783-8700

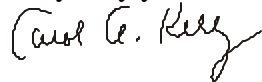
FAX (202) 783-8750

HIMA's concern does not extend to seeking advice on the many technical matters properly suited for consideration by the MCAC. This body can be an invaluable resource to the agency. As long as the agency poses technical questions related to whether a particular item or service ought to be covered, the MCAC is free to review and evaluate relevant information and provide the technical assistance for which it was created.

Thus, a wide variety of matters are appropriate for the MCAC's consideration—from evaluating medical literature and technical assessments to providing informed coverage advice on the appropriateness of medical services and items. The MCAC members, using their professional expertise and judgment, can provide input on coverage questions after considering the evidence presented and the public's input. We think HCFA should seek this advice. Of course, any final decision is left for HCFA to make pursuant to its statutory authority, but the MCAC can serve a critical advisory role.

We hope this letter more fully explains HIMA's views regarding HCFA's proper use of the MCAC. If you should have any questions or would like to discuss this, please do not hesitate to contact me. Thank you for your consideration.

Very truly yours,

A handwritten signature in cursive script that reads "Carol A. Kelly".

Carol A. Kelly

cc: Sheree R. Kanner