

July 21, 2009

James C. Greenwood
President & CEO

The Honorable Max Baucus
United States Senate
511 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Grassley:

On behalf of the Biotechnology Industry Organization (BIO), I salute your leadership and effort on the daunting task of reforming our healthcare system to expand coverage and improve quality of care, while simultaneously reducing costs. As the Congress continues the process of developing a comprehensive healthcare reform proposal, BIO urges that you include incentives for the prevention of healthcare associated infections (HAIs). Specifically, we ask that you include language to incentivize hospitals to reduce their HAI rates in order to receive payments as part of hospital value-based purchasing provisions.

HAIs are a critical worldwide health problem. According to the Centers for Disease Control and Prevention, HAIs are one of the top ten leading causes of death in the United States. HAIs are also a leading complication in healthcare administered in U.S. hospitals, and are a significant contributor to hospital morbidity and mortality. In addition, the financial implications of these infections impose significant excess healthcare costs, estimated at \$20 billion each year. Reducing avoidable costs associated with healthcare acquired infections will help lower the costs of healthcare borne by Americans while at the same time, improving their quality of care.

The Department of Health and Human Services (“HHS”) recently released its *HHS Action Plan to Prevent Healthcare-Associated Infections*, which provides a roadmap for a five-year, national HAI prevention strategy. This comprehensive approach includes specific goals for HAI prevention, including specific reduction targets for specific infections by 2014.

BIO represents more than 1,200 biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. Specifically related to HAIs, BIO represents companies that develop and manufacture the medical devices, molecular test systems, pharmaceuticals, and other products necessary for the diagnosis, surveillance, prevention, and administration of treatments for HAIs. For this reason, BIO companies will play a key role in reaching the reduction targets set forth in the HHS Action Plan.

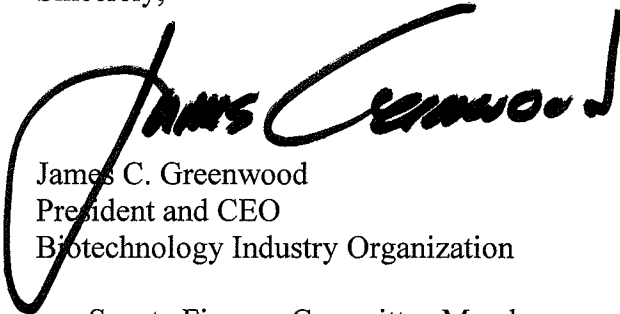
To ensure that the HHS-established HAI prevention targets are achieved, we believe that the Action Plan’s targets and process and outcomes metrics should be incorporated into any Medicare value-based purchasing framework as quality performance measures. Value-based purchasing payments to hospitals then would be conditioned on hospitals making annual

progress toward their HAI prevention goals, creating a strong incentive for every hospital to take steps to reduce HAIs.

We must strengthen HAI prevention efforts. Prevention of HAIs would improve the quality of patient hospital care, save thousands of lives, and at the same time lead to billions of dollars in savings. The Action Plan signals a renewed national commitment to reducing HAIs. However, successful implementation of the Action Plan depends on an enforcement mechanism to ensure that hospitals implement infection control policies and take other precautions to prevent HAIs.

I appreciate your consideration of our request, and urge the Congress to include incentives for the prevention of HAIs in healthcare reform. Should you have any questions or comments, please feel free to contact me, or have your staff contact Melissa Bowie, Director of Federal Government Relations at BIO at (202) 962-9200.

Sincerely,

A handwritten signature in black ink that reads "James C. Greenwood". The signature is written in a cursive style with a large, sweeping initial "J".

James C. Greenwood
President and CEO
Biotechnology Industry Organization

cc: Senate Finance Committee Members