



**From:** McClellan, Mark B. (CMS)  
**Sent:** Tuesday, September 05, 2006 9:26 AM  
**To:** CMS - All\_Email\_Users  
**Subject:** A message from the Administrator

This is a hard email to write. I want to let you know that I will be leaving my position as CMS Administrator after a transition period, by early October.

This was a hard decision, because this is the most exciting and rewarding place that anyone could ever work. But I've been in government service for much longer than my family and I had ever expected or prepared for, and after almost six years in this Administration plus service in the previous Administration as well, I'm looking forward to more dinners at home with Steph and our daughters.

I'm not leaving or scaling back right away, but when I do move on, I will do so with full confidence that the agency will continue to do what it takes to improve the health care and the health of all the Americans who count on us. That's because of all that I've seen accomplished over the last two and a half years, thanks to all your hard work and dedication. I've had the unique privilege of working with you at one of the most important and transformational times our agency has ever experienced. You've consistently met and exceeded the challenges we've faced, and I'm confident that even better things lie ahead.

This includes delivering on and enhancing the benefits of the Medicare Modernization Act, the most important reforms in Medicare ever. We've worked with partners to get 90 percent of people with Medicare into drug coverage, and we've implemented the biggest transition in drug coverage ever in this country. We've found and fixed startup problems, we are delivering coverage at a cost at least 25 percent less than had been expected, and we are seeing beneficiary satisfaction rates of over 80 percent. For 2007, the benefit costs are going down further, and many drug plans will have lower premiums and options for enhanced coverage as well.

While a lot of the public attention has been focused on Medicare's new drug coverage, you all know that what we are accomplishing in the agency to improve health care and health is much broader than that. In Medicare, with drug coverage, new preventive coverage, new services to provide support for people with chronic diseases, and better coordinated-care options than ever before, we are shifting the focus to prevention and care coordination. That means providing personalized care and coverage to each of our beneficiaries like never before – the right care for every patient every time. With improved tools and strong partnerships this fall, CMS will continue to help beneficiaries make confident decisions about their health care coverage and their health. And when we do this in Medicare, we will help our whole health care system deliver better, prevention-oriented care.

One of the most important parts of this transformation involves the original Medicare program, which now has more support for prevention and quality care than ever. We are implementing the most important reforms in more than two decades in hospital payments, and important reforms in ambulatory surgery and many other types of care. We've also worked to lay the foundation for a fundamentally better, more sustainable payment system for physicians. We are collaborating to



move to paying for what we really want, and what providers want to deliver: better care at a lower overall cost, not just more services.

And we have also taken critical steps to transform Medicaid, as we implement the most important reform legislation in the program's history. As a result of your leadership and your work with the states, more people have innovative SCHIP and Medicaid coverage than ever before, more people with a disability have control over how they get long-term care services than ever before, and more states are implementing coordinated care for dually eligible beneficiaries than ever before. This has all happened as we have slowed the rate of Medicaid spending growth, from the double digits five years ago to around 5 percent this past year.

In all of our programs, I've been most impressed by how the actions we take, and how our work together with partners, can have a fundamental impact on our health care system and our nation's health. Without us, needed health care reforms simply can't happen. But when we help lead the way, we can make great progress toward transforming health care. We're on a path to paying for the kind of health care we want, and for partnering with our beneficiaries and providers to get the most out of it.

Between now and when I leave the agency, I expect to continue to work as hard as ever with you on ensuring a smooth transition as the agency continues to move forward with all of our critical initiatives, including our efforts to promote a skilled and motivated workforce, accurate and predictable payments, high-value health care, confident and informed consumers, and collaborative partnerships to accomplish all this. With the strong senior leadership and staff throughout the agency, I am confident about CMS and about improving our health care system.

As many of you know, in this and the previous Administration, I've been on leave from my professorship at Stanford University. My time in public service has been the privilege and experience of a lifetime. In the White House, at FDA, and at CMS, it's been a tremendous and unique opportunity to work on ideas for health care reform, and to roll up sleeves with all of you to make it happen. As I move on to the next phase, I expect to continue to work to make our health care systems and programs better. And I know that I'm much better prepared for whatever is ahead because I've had the opportunity to work here at CMS, learning from the best. I'm sure that you've had the same experience I have, that there is no better place to put good ideas into practice in our health care system than in our programs, and no more committed and effective people to do it with than those who work here.

Many of you have heard me quote my grandfather: it's not the dollars you make; it's the difference you make. I will be thanking you again, but I want to thank you now for the privilege of being able to serve with you to make such a fundamental difference in the lives of so many Americans.

Sincerely,

Mark B. McClellan, MD, PhD