



AMERICAN OSTEOPATHIC ASSOCIATION

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January 9, 2010

The Honorable Harry Reid
Majority Leader
United States Senate
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-332, U.S. Capitol
Washington, DC 20515

Dear Mr. Leader and Madam Speaker:

On behalf of the American Osteopathic Association (AOA) and the 67,000 osteopathic physicians it represents, I would like to express our appreciation of your efforts to achieve meaningful health care reform in the United States by advancing the “Medicare Physician Payment Reform Act” (H.R. 3961), the Affordable Health Care Act” (H.R. 3962), and the “Patient Protection and Affordable Care Act” (H.R. 3590) in your respective chambers. We recognize that this has been an arduous process and we commend your tireless dedication to finding legislative solutions to build upon the strengths of our current health care system and address its identified weaknesses and failures. The AOA believes that each of these bills offers a promise of true, systemic change and that the conference committee must give careful consideration to the merits of each, ensuring a genuine compromise. We look forward to working with you to reconcile provisions and ensure that the final bill is inclusive of the strongest proposals set forth by both Congressional bodies.

Throughout the past year, the AOA has advocated for the development and advancement of legislation that would improve the lives of the millions of patients cared for by our members through reform of our nation’s health care system. Additionally, we have advocated for reforms that would “transform” our health care system versus simply extrapolating of the current delivery model to more individuals. We have worked closely with you and your colleagues in the House and Senate to advance reforms that would extend access to affordable health care coverage for the millions of currently uninsured, put in place meaningful insurance reforms, transform the nation’s health care delivery model to place a greater emphasis on primary care and the patient-physician relationship, enhance the physician workforce, and begin the process of controlling the escalating costs of health care. The health care reform legislation passed by the House and Senate reflects promising, yet differing approaches to these objectives. Accordingly, we have outlined below the proposals currently under consideration that we believe have the greatest potential to achieve our shared goals.

Access to Health Care Coverage

The AOA believes that every American should have access to affordable health care coverage. We support provisions in both bills that preserve access to employer-sponsored health care. Since the majority of Americans receive their health care coverage through their employers, we firmly believe that individuals should be allowed to maintain their employer-sponsored coverage. The AOA has

long advocated for comprehensive reforms of insurance practices that hinder access to obtaining coverage. Accordingly, we support provisions in these bills that would prohibit commercial insurance companies from excluding coverage for pre-existing conditions. Furthermore, we support reforms that would prohibit differential pricing based upon race, gender, or other demographic criteria that unnecessarily and unfairly limit access to care for those most in need.

The AOA also is supportive of provisions in both bills that establish a health insurance exchange, whereby individuals could purchase insurance for themselves and their families in a competitive marketplace. We applaud your recognition of the challenges facing the individual and small group markets and support the bill's provisions enabling small businesses to participate in the Exchange. With respect to the public plan option, the AOA continues to believe that such a program is not necessary to achieve our joint goal of increasing access to affordable health coverage for all Americans. However, if a public insurance plan is created it must compete in the health insurance marketplace on a level playing field in which payment rates are negotiated with providers, physician participation is voluntary, and patients have the ability to seek and receive care outside of the insurance model.

Innovations in the Health Care Delivery System

The AOA has long urged Congress to implement delivery system reforms that place a renewed focus on the importance of primary care. We believe, and evidence supports, that an emphasis on patient-centered primary care improves health outcomes and decreases the overall cost of health care. For these reasons, we strongly support provisions that would expand the patient-centered medical home and implement it fully in the nation's health care delivery system. We also view Accountable Care Organization models as a promising innovation that should be further examined and developed through the programs laid out in this legislation. The AOA strongly supports this move toward a model of coordinated health care delivery that is based on an ongoing personal relationship with a physician.

We believe that investments in the delivery system must include full funding of coordinated care models in order to ensure that access to care is not hindered in those areas in which providers are not yet equipped to launch a full-scale transformation. We urge the inclusion of the patient-centered medical home (PCMH) pilots for both Medicare and Medicaid as outlined in H.R. 3962. Though the Senate's bill makes reference to the PCMH model in the Center for Medicare and Medicaid Innovation, it is one among many options to be considered. The models outlined in H.R. 3962 have been tested and proven effective, and it is time to immediately begin the widespread adoption of this policy.

Primary Care

We believe it is essential that the strongest possible primary care provisions be retained through the conference process and the final health care reform legislation that is signed into law. Currently, the differences between H.R. 3962 and H.R. 3950 are quite significant with respect to primary care. In order to attract and retain a sustainable primary care workforce, we believe Medicare payments for primary care providers should be increased substantially. The provisions in the House and Senate bills are important steps in the right direction. We therefore support the 10 percent increase included in the Senate's legislation, but applied permanently to the broader swath of primary care services as included in H.R. 3962. Furthermore, we support provisions whereby primary care

bonuses are financed through new spending versus application of budget neutral payment adjustments within Part B.

In Medicaid, we strongly support the provision of H.R. 3962 that would increase Medicaid reimbursements for primary care services to at least those levels provided in Medicare. Both the House and Senate bills expand the Medicaid programs to new individuals. Currently, physician participation in the Medicaid program is dismal due to very poor payment policies. We believe that in an effort to ensure that existing and new Medicaid beneficiaries have access to health care versus simply health care coverage, payment rates for primary care physicians should be increased. Furthermore, as states face fiscal crises, we cannot risk those payments to primary care providers would be cut just as we expand eligibility in Medicaid programs.

We also strongly support the provisions included in H.R. 3962 that provide incentives for physicians to pursue careers in primary care. These include increasing the National Health Service Corps full-time award from \$35,000 to \$50,000, allowing for part-time service option in the National Health Service Corps, the creation of a new Frontline Health Providers Loan Repayment program for primary care physicians in high-need areas outside of Health Professional Shortage Areas, and the creation of a health workforce commission that includes primary care physicians.

Physician Workforce

We are pleased that the legislation passed in the House and Senate includes provisions to reform the nation's graduate medical education (GME) system in order to foster a more robust physician workforce. We salute your decision to include provisions that would remove disincentives that exist regarding training in non-hospital settings. By clarifying in statute the definition of "all or substantially all" as it relates to the training costs of resident physicians in non-hospital settings, this legislation will foster training opportunities in outpatient practice settings and improve the quality of graduate medical education programs – especially for primary care physicians.

Additionally, incentives for physicians to choose primary care will only truly increase our primary care workforce if coupled with an increase in the number of available residency positions in this country. Capped since 1997, graduate medical education positions are stagnant even as our need for new physicians – particularly primary care physicians – grows. We urge the creation of new residency positions, with a preference for primary care, and at a minimum prefer the House's approach to redistribution of unused GME positions. Preferably, we recommend an increase in the nation's GME system of at least 15 percent.

Independent Payment Advisory Board

The AOA strongly opposes the establishment of the Independent Payment Advisory Board (IPAB) as currently set forth in H.R. 3590. Enacting such a provision would grant unprecedented authority over the allocation of a significant share of our nation's federal budget to a body of unelected officials. The AOA maintains that Congress is a representative body and, as such, must assume responsibility for legislating sound health care policy, including that related to physician payment within the Medicare and Medicaid systems.

Unlike an appointed body, members of Congress must find solutions to prevent decreased access to health care for their communities. The creation of IPAB severely limits Congressional oversight of

the Medicare program and replaces the transparency of Congressional hearings and debate with a less transparent process with, at best, minimal accountability for its policy decisions. We are very concerned by the authority granted to an administrative board to determine related reimbursement methodologies within the confines of budget neutrality. We strongly urge you to exclude related provisions in H.R. 3590 from the final bill.

Physician Quality Reporting Initiative

The AOA supports efforts to promote best practices and to provide physicians with feedback to improve patient outcomes, including the Physician Quality Reporting Initiative (PQRI). In the rush to achieve this goal, however, several short-sighted and potentially damaging proposals have emerged that attempt to employ rudimentary quantitative analysis in the evaluation of complex cases impacted by complex variables. Language in the Senate bill attempts to define value through physician reporting of claims data. However, claims data are not quality measures. Without extensive adjustments for risk, patient compliance and other factors unique to individual patients, it is virtually impossible to determine the quality and value of care provided. The resulting indiscriminate redistribution of Medicare resources under your proposal would only serve to steer physicians away from those high-need, high-risk patients most in need of their care.

The AOA strongly opposes provisions in H.R. 3590 that would, beginning in 2015, impose penalties on physicians who do not participate in the PQRI program. While great effort has been made by the physician community to develop quality measurements applicable to all physician services, thousands of physicians have limited opportunities to report on quality measures based upon their specialty, practice-mix, or other practice demographics. To make the PQRI program punitive creates additional disincentives for participation in the Medicare program and imposes an unnecessary roadblock on the path towards quality improvement. We strongly recommend that this provision be amended to continue the practice of encouraging participation through payment incentives, as laid out in H.R. 3962, versus the proposed punitive policy in H.R. 3590.

Finally, any Maintenance of Certification Program included in the legislation must include our maintenance of certification programs, called the “osteopathic continuous certification program”, as an equally recognized program alongside those offered by the American Board of Medical Specialties. Osteopathic board certification is recognized by the federal government, all 50 states, and over 40 foreign governments. Additionally, the AOA’s Clinical Assessment Program has been a recognized registry system for the purposes of PQRI participation for the past 2 years and recently was recognized for 2010. Inclusion of provisions recognizing osteopathic board certification will be indicative of our position on a final bill.

Medical Liability Reform

As osteopathic physicians, we strive to provide the highest quality of care and to develop strong physician-patient relationships characterized by an open and ongoing dialogue. Unfortunately, the current liability system impinges upon these objectives by compelling physicians to practice defensive medicine, restrict high-risk procedures or avoid difficult communications in order to minimize exposure to liability.

While a few states such as California and Texas have successfully enacted effective medical liability reforms, political and judicial roadblocks have proven to be prohibitive in many others. The AOA

believes that extensive reforms at the federal level are necessary to achieve our goals and stabilize the system. Proposals by both the House and the Senate to invest in demonstration projects at the state level to explore alternative dispute resolution mechanisms represent a step in the right direction. We urge you to include this program in the final bill in order to open the door to innovative and comprehensive medical liability reform in the future.

Physician Payment

The AOA firmly believes that Congress must seize upon this unprecedented opportunity to address the existing failures in our current health care system and to build upon its strengths. However, it is impossible to achieve meaningful health system reforms independent of establishing long-term stability in physician payment methodologies. The approach taken in H.R. 3961 whereby the current payment methodology is bifurcated into independent physician service targets is consistent with AOA policies and would provide stable and positive payments, reflecting increases in practice costs for all physicians, with higher updates for primary care and preventive services. Under this proposal all evaluation and management services, along with designated preventive care services, would be reimbursed using a methodology that promotes their delivery and provides adequate compensation to both primary care and specialty physicians.

Fundamentally flawed Medicare physician payment policies have stifled the prospects for reform for over a decade. We firmly believe that advancing the policies set forth and passed by the House of Representatives to repeal the flawed Sustainable Growth Rate (SGR) formula and replacing it with a new updated system is essential to the successful implementation of other reforms. We do not support another short-term patch.

Again, we applaud your leadership and dedication to improving the nation's health care system. We recognize the prodigious efforts required to produce legislation of this scope and magnitude and offer our sincere appreciation to both of you. The AOA and our members stand ready to assist you in securing the enactment of a final bill inclusive of the strongest and most promising proposals contained in each of these bills.

Sincerely,



Larry A. Wickless, DO
President

C: The Honorable Richard Durbin
 The Honorable Max Baucus
 The Honorable Tom Harkin
 The Honorable Steny Hoyer
 The Honorable Charles Rangel
 The Honorable Henry Waxman
 The Honorable George Miller