



Sound Policy. Quality Care.

March 10, 2010

Dear Speaker Pelosi and Minority Leader Boehner:

As the Alliance of Specialty Medicine (Alliance), our mission is to advocate for sound federal health care policy that fosters patient access to the highest quality specialty care and improves timely access to high quality medical care for all Americans. As patient and physician advocates, the Alliance supports responsible health care reform that improves access, quality and affordability. Over the past year, the Alliance has provided substantive comments on those health reform provisions that concern specialty physicians and patients in their care. We are extremely concerned that the Senate passed health care reform legislation, the "Patient Protection and Affordable Care Act" (H.R. 3590), fails to address those concerns we previously have conveyed to Congress. Therefore, **we oppose the Senate bill (HR 3590)**, given the outstanding policy concerns outlined below.

Independent Payment Advisory Board

We strongly oppose the **Independent Payment Advisory Board (IPAB)** or any other board resulting in an inappropriate delegation of Congress's oversight responsibilities. Medicare reimbursement rates are already well below market rates, and it will likely only get worse. The IPAB solution will arbitrarily ratchet down provider reimbursement, without sufficient oversight and without care taken to ensure that our seniors receive the quality health care that they need and deserve. Further, as currently constructed by Congress, the Board does not have full authority over all aspects of the health care system, but rather is required to selectively exempt certain providers from its purview – placing more pressure to cut Medicare in those areas under its jurisdiction. We do not support allowing important health care decisions to be made by individuals with little or no clinical expertise, resources, or the oversight required to ensure that seniors are not placed in jeopardy.

MEDICARE PAYMENT POLICY PROVISIONS

Sustainable Growth Rate (SGR) – The failure to provide a permanent SGR fix as part of health care reform is a major **shortcoming of H.R. 3590**. Ideally any system that replaces the SGR would update payments based on the Medicare Economic Index, which would allow reimbursements to be based on the actual cost of providing care to our nation's elderly. While individuals continue to work toward a permanent solution to the SGR, this critical policy issue must be addressed by April 1, 2010 to prevent drastic physician reimbursement cuts. The Alliance does not support further short-term "fixes" to prevent future Medicare cuts and **we urge you to pass a permanent replacement for the Medicare physician payment formula prior to April 1.**

The Senate proposal also contains a variety of Medicare payment provisions which, if enacted, will be detrimental to patient care and we therefore strongly **oppose the following provisions:**

- **Center for Medicare and Medicaid Innovation** (sections 3021 and 10306 of HR 3590) which inappropriately delegates Congress's oversight responsibilities.
- **Value-Based Purchasing** (section 3007 and 10301 of HR 3590) which arbitrarily accelerates the current value-based purchasing program before current demonstrations and previously mandated reports are completed. Also, we do not support the new budget neutral modifier in Section 3007 of HR 3590.
- **Mis-Valued Physician Payment Services** (section 3134 of HR 3590) which create additional layers of bureaucracy to review payment codes and fail to provide adequate physician input.
- **Geographic Variation** (section 3102 of HR 3590) which is used as a marker for quality of care, but focused on costs and cost reduction rather than treatment quality.

QUALITY PROVISIONS

Physician Quality Reporting Initiative (PQRI) -- While we appreciate efforts to further improve and refine the Physician Quality Reporting Initiative (PQRI) (as outlined in section 3002 of HR 3590), **we have serious problems with the PQRI provisions as physicians are required to participate or face financial penalties, physicians are not provided access to their data in a timely manner, and physicians are not provided with a reasonable appeals process.**

In addition, we strongly oppose the following provisions which we believe, if enacted, will have detrimental effects on patient care:

- **Physician Compare Website** (section 10331 of HR 3590) which will provide patients with confusing and conflicting information.
- **Hospital Readmissions** (section 3025 of HR 3590) which fails to ensure that measures used to report readmission data are evidence based. At this juncture, the measures are not fully developed, approved or validated. The measures could penalize the specialties that have been at the forefront of measurement development and discourage the future development of similar measures. Additionally, the legislation requires payment reductions even if all unnecessary admissions are eliminated. There needs to be an agreed upon acceptable rate of readmissions.

PHYSICIAN-OWNED HOSPITALS (section 6001 of HR 3590)

The Alliance believes that physicians should have the ability to treat patients in whichever setting they feel offers patients the highest quality of care available. Ethical referral under the current "Stark laws" provides physicians and their patients the opportunity to determine together which setting is most appropriate for the treatment they require. The requirements laid out in the legislation not related to patient referral or disclosure of ownership interest are overly prescriptive and not currently required of other non-physician owned health care entities. We urge the Congress not to discriminate against physician-owned hospitals.

MEDICAL LIABILITY REFORM

As outlined by the Congressional Budget Office, medical liability reform will help achieve health system savings by reducing the incentives for defensive medicine and it will also protect physicians from unaffordable liability premiums. The Alliance **firmly believes that federal medical liability reform based on the California or Texas models**, which include, among other things, reasonable limits on non-economic damages, **is the gold standard.** Nevertheless, we do support evaluating additional approaches to address this issue. Unfortunately, the way in which Section 10607 of H.R. 3590 is structured does not include adequate safeguards to ensure that only those states whose **medical liability demonstration projects produce measureable results receive federal funds.**

We applaud many of the health care reform provisions that improve access to health insurance and believe a number of provisions must be included in any meaningful health reform package to improve access to affordable health insurance and assure access to specialty medicine. Those provisions that we believe should be maintained include eliminating pre-existing condition exclusions, providing adequate access to specialty care through the benefit package, addressing rescission of health coverage, ensuring continuity in Medicaid coverage for children who go in and out of the system, and prohibiting annual and lifetime coverage limits.

Thank you for your commitment and leadership on this issue. If you have any questions or would like additional information, please e-mail us at info@specialtydocs.org.

Sincerely,

American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Gastroenterological Association
American Society of Cataract and Refractive Surgery
American Urological Association
Coalition of State Rheumatology Organizations
Congress of Neurological Surgeons
Heart Rhythm Society
National Association of Spine Specialists
Society for Cardiovascular Angiography and Interventions