

May 26, 2011

AMA/FEDERATION NEWS: National headlines, grassroots news and important AMA announcements for Federation executives and communicators.

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TOP STORIES

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1. Senate bill would give patients choice of physician without losing benefits

Legislation introduced Monday in the U.S. Senate would provide Medicare patients with greater choice, allowing them to see the physicians they want and need to see.

Sponsored by Sen. Lisa Murkowski, R-Alaska, the Medicare Patient Empowerment Act, or S. 1042, is identical to legislation introduced May 3 in the U.S. House of Representatives. Both bills would enable Medicare beneficiaries to use their benefits to see physicians who do not accept Medicare, as opposed to paying for the entire cost of their care out-of-pocket as required under current law.

The bills also would eliminate the two-year Medicare "opt out" requirement that applies to physicians who enter into private contracts with their Medicare patients. The AMA supports both bills, which are based on AMA policy.

Visit [www.ama-assn.org/go/privatecontracting](http://www.ama-assn.org/go/privatecontracting) to learn more about the Medicare

Patient Empowerment Act.

## 2. June 8 webinar to detail Medicare Patient Empowerment Act

The AMA will host a webinar explaining the details of the Medicare Patient Empowerment Act at 7 p.m. Eastern time June 8. Hosted by AMA President Cecil B.

Wilson, MD, the webinar will outline the major provisions of the bill, review the history of federal and state policy on Medicare fee limits and discuss steps that physicians can take to build support for the bill.

Federation staff members and AMA members can participate in the webinar for free. Cost for nonmembers is \$39. View <http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,3gj0,1e46,9t9z,a6f9> to register for the webinar.

The Medicare Patient Empowerment Act, which has been introduced in both the U.S.

House of Representatives and the Senate, would provide Medicare patients with greater choice, allowing them to see the physicians they want and need to see.

See item 1 for more details about the bill.

## 3. ACO initiatives a step in the right direction; more action needed

Three accountable care organization (ACO) initiatives announced May 17 by the Centers for Medicare & Medicaid Services (CMS) are a step in the right direction, but more is needed to ensure that all physicians who wish to lead and participate in ACOs can do so, the AMA said in a statement.

Through the initiatives, CMS and its Center for Medicare & Medicaid Innovation aim to assist physicians at varying stages of readiness who want to participate in Medicare ACOs. One particular initiative is the idea of an "advance payment" ACO model that would provide additional up-front funding to providers to support the formation of new ACOs. The AMA is preparing comments on this initiative.

The initiatives respond to months of advocacy by the AMA encouraging CMS to provide assistance for physicians in small practices, including start-up capital and small business loans, to meet the large initial expenses that will come with participating in ACOs.

"The benefits of [the ACO] model cannot be fully realized unless physicians in all practice sizes can be involved," AMA Immediate Past President J. James Rohack, MD, said

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,ippk,6vb9,9t9z,a6f9>  
to read more about the ACO initiatives.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,9aaw,i043,9t9z,a6f9>  
to view the AMA's statement.

The AMA also is preparing to submit comments to CMS, the Federal Trade Commission and the U.S. Department of Justice regarding the proposed rule on ACOs to ensure that physicians' concerns are heard during this important process. Comments are due June 6.

#### 4. Medicare trustees report shows need for physician payment reform

Trustees for the Medicare program confirmed May 13 that a steep 30 percent cut in Medicare physician payments is set to take place Jan. 1. The cut is the highest ever scheduled under the broken Medicare physician payment system, and it threatens access to care for the nation's seniors, military families, people with disabilities and the baby boomers now entering Medicare.

The news was part of this year's Medicare Board of Trustees annual report. In a statement, the AMA reiterated its position that reform of the Medicare physician payment system—starting with the repeal of the sustainable growth rate (SGR) formula—is needed desperately.

"The Medicare trustees report leaves no doubt that the time to repeal the (SGR) is now—to keep from digging a deeper financial hole and to preserve access to care for patients," AMA Immediate Past President J. James Rohack, MD, said in an AMA statement.

The AMA shared a three-pronged approach to reform the Medicare physician payment system in testimony to a U.S. House subcommittee on May 5. Visit <http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,cm3t,b06d,9t9z,a6f9> to view the AMA's testimony.

View

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,f9yd,a2nt,9t9z,a6f9>  
to read the AMA's statement.

View

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,2rjt,txj,9t9z,a6f9>  
to read this year's Medicare trustees report.

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FEDERATION NEWS

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## 5. AMA, Minnesota physicians win legal fight with medical liability insurer

Physicians won an important legal victory recently when an appellate court ruled in favor of a Minnesota clinic in a battle against a professional liability insurer that had denied payment for a claim.

The case called into question the proper standard that insurers and courts should use when deciding whether adequate notice to an insurance company was provided when the insured files a medical liability claim under a claims-made type of insurance policy.

In the case, Owatonna Clinic, part of the Mayo Health System, notified the insurer, Medical Protective Company, that it was being charged with medical negligence. It also verbally provided the names and details of the incident that it had readily available. When a lawsuit ensued against the clinic, the insurer denied coverage, stating that the clinic had not provided adequate notice, such as written notification of the name and address of the patient in question.

The Litigation Center of the AMA and State Medical Societies, along with the Minnesota Medical Association (MMA) and the Minnesota Hospital Association, filed an amicus brief in support of the clinic. The brief argued that once the insurer received notice of the potential claim, it became its obligation to follow up with a request for more information if it believed more details were needed.

The U.S. Court of Appeals for the 8th Circuit ruled May 11 in favor of the clinic, affirming a U.S. District Court holding in the case.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,hr5,5vt1,9t9z,a6f9> to read more about the case in a summary by the MMA.

Visit [www.ama-assn.org/go/litigationcenter](http://www.ama-assn.org/go/litigationcenter) to learn more about the Litigation Center.

## 6. Principles would protect patient access to care in Maryland

Physicians in Maryland recently adopted a comprehensive set of patient protection principles aimed at restoring the boundaries around the doctor-patient relationship.

The Maryland State Medical Society adopted the principles in April during its House of Delegates meeting. Developed in response to physician concerns over intrusive practices by health insurers, they are intended to reinstate physicians as the primary decision-makers for patient health needs and will protect patient access to timely and effective care.

The Patient Protection Principles are the first medical society code of its kind in the country and will guide future legislative actions by the Maryland State Medical Society, including sponsoring, supporting and opposing legislation.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,kr53,3jjz,9t9z,a6f9>  
to read more.

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PUBLIC HEALTH  
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#### 7. Physicians needed to volunteer in wake of Missouri tornado

In a statement, the AMA expressed its deepest sympathies to those affected by the May 22 tornado that hit Joplin, Mo. As search and rescue efforts continue, many deaths and injuries have been reported. The disaster is amplified by the fact that one of the area's two major hospitals, St. John's Regional Medical Center, was hit by the tornado and evacuated.

Because of the need for medical support, the Missouri State Medical Association and the Missouri Department of Health and Senior Services have requested medical assistance from Missouri physicians. The AMA urges available physicians to volunteer their services. Physicians can visit <http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,6czw,ck4w,9t9z,a6f9> to volunteer.

In addition, relevant articles from the AMA's peer-reviewed journal Disaster Medicine and Public Health Preparedness are available on the journal's website.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,cuyy,68vi,9t9z,a6f9>  
to view the journal's website.

View

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,h7ov,kszo,9t9z,a6f9>  
to read the AMA's statement.

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ANNOUNCEMENTS  
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#### 8. 2010 AMA Annual Report available

The 2010 AMA Annual Report is now available online. Along with noting that the AMA recorded positive operating profits for the 11th consecutive year, the report recaps the AMA's accomplishments for physicians and patients to keep medicine moving in positive directions across many fronts.

Efforts highlighted in the report include the AMA's work to guide the evolution of patient care and public health and provide physicians with the resources and support they need to run a medical practice and do what they do best—care for patients.

"While physicians continued their vital work to help patients directly, the AMA led efforts to advance legislation, revolutionize medical education, improve technology, promote wellness and more," AMA President Cecil B. Wilson, MD, said.

"Some of the AMA's work in 2010 included helping physicians navigate the Affordable Care Act, securing a one-year delay of the looming 25 percent Medicare cut and introducing the AMAGINE portal to help physician practices adopt health information technology."

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,44sp,m2pn,9t9z,a6f9> to view the annual report.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,8u3y,af9p,9t9z,a6f9> to view an AMA news release about the annual report.

9. In American Medical News: New regulations worsen confusion about whether a co-pay or coinsurance is due

Preventive care services for patients covered by private insurance is, in most cases, supposed to be covered without co-pays or coinsurance, thanks to the Affordable Care Act.

The new rules apply to policies that took effect after Sept. 23, 2010. But some physicians and their patients find that, rather than smoothing out the preventive care process, the new regulations only worsen the confusion about whether a co-pay or coinsurance is due, according to a May 23 story in American Medical News.

Visit

<http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,eu3o,j4c1,9t9z,a6f9> to read the story.

10. AMA research paper supplies statistics on nation's health expenditures

The United States spent \$2.5 trillion on health care in 2009, a 4 percent increase from the previous year and the slowest annual rate of growth in 50 years. Despite that slow growth, the nation now spends 17.6 percent of its gross domestic product on health care, up from 16.6 percent in 2008.

Those are just a few of the statistics on national health expenditures—provided

by the National Health Statistics group at the Centers for Medicare & Medicaid Services—cited in a new Policy Research Perspective from the AMA. The paper also describes recent changes made to how national health expenditure data is presented and provides a summary of trends in overall spending and its various components.

The Policy Research Perspective is available to Federation staff and AMA members only. Visit <http://www.elabs10.com/ct.html?rtr=on&s=x8pbgr,ivcs,2ke5,ge7r,82xi,9t9z,a6f9> to access it.

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External links to Web sites and e-mail addresses are offered to provide readers with additional sources of news and information. The AMA is not responsible for the content contained in these external sources.

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