



ADVOCACY UPDATE

May 5, 2011

AMA recommends Medicare payment reforms to House committee

On Apr. 26, the AMA sent a letter in response to a bipartisan request from the House Energy and Commerce Committee dated Mar. 28, asking for suggestions on reforming the Medicare physician payment system. In the letter, the AMA laid out a three-pronged approach for reform: (1) repeal the sustainable growth rate (SGR) formula; (2) provide five years of stable payments with positive updates; (3) transition to an array of new payment structures. The proposal envisions using the five-year transition period to develop and test various new payment structures designed to enhance care coordination, quality and appropriateness, and to reduce costs. The letter also provides background on some of these options, such as accountable care organizations and episode of care bundles, as well as some transitional models. Dr. Cecil B. Wilson, President of the AMA, also testified before the House Energy and Commerce Subcommittee on Health regarding the AMA's proposal at a hearing on May 5, entitled, "The Need to Move Beyond the SGR." In his testimony, Dr. Wilson highlighted the AMA's support for creating a new Medicare payment option that will allow patients to contract freely with physicians without penalty.

The AMA's letter to the Energy and Commerce Committee can be viewed at: <http://www.ama-assn.org/resources/doc/washington/ec-committee-medicare-pathways-letter.pdf>. Dr. Wilson's testimony can also be accessed at: <http://www.ama-assn.org/resources/doc/washington/the-need-to-move-beyond-sgr-testimony.pdf>.

Medicare private contracting legislation introduced

On May 3, Rep. Tom Price, MD (R-GA) introduced H.R. 1700, the Medicare Patient Empowerment Act. This bill, based on policy adopted by the AMA House of Delegates, would allow Medicare patients and their physicians to enter into private contracts without penalty to either party. In such contracts, full payment rates for individual services are agreed upon in advance by the patient and the physician. Under terms of the Price bill, beneficiaries would be able to use their Medicare benefits to offset a portion of the costs of their care, rather than paying the entire contracted fee out-of-pocket as required under current law. The legislation would also eliminate the currently required two-year Medicare program "opt out" for physicians who choose to enter into private contracts with their Medicare patients.

AMA position

The AMA strongly supports H.R. 1700 and encourages Federation members to participate in its efforts to secure cosponsors for this important legislation.

AMA discusses new opioids strategy with White House

The AMA met recently with senior officials in Vice President Biden's office and the White House Office of National Drug Control Policy to discuss the Administration's recently released plan to combat prescription drug abuse. The plan responds to several past AMA recommendations for addressing the diversion and abuse of opioids, such as: (1) providing a coordinated multiagency approach with a public health focus; (2) encouraging more states to adopt prescription drug monitoring programs; and (3) placing a priority on physician and patient education to improve prescribing and prevent abuse and diversion. The AMA pointed out that state prescription drug monitoring programs need to provide real-time access for physicians at the point of care, with a continued focus on patient safety rather than punitive measures. While offering to work with the Administration on further developing its educational strategies, the AMA expressed strong concern about the Food and Drug Administration's Risk Evaluation and Mitigation Strategy (REMS) for long-acting and extended release opioids because, as currently outlined, it assigns an inappropriate role to manufacturers. The AMA also pointed out that any plan to link continuing medical education programs in pain management to the Drug Enforcement Administration (DEA) registration process must carefully balance the need to prevent drug diversion against patient access to opioids when medically appropriate. White House officials stated they have no plans to raise DEA fees to fund the national strategy's enhanced educational programs.

FTC holds workshop on antitrust enforcement & ACOs

The Federal Trade Commission (FTC) announced a public workshop on Antitrust and Accountable Care Organizations (ACOs) to be held on Monday, May 9, 10:00 am to 1:00 pm EDT. The workshop will be a moderated panel discussion, open to the public, to discuss the Draft Joint Policy Statement on Antitrust Enforcement and Medicare ACOs that was released by FTC and the Department of Justice on Mar. 31. The AMA will be submitting comments on the proposal, which are due May 31. The AMA also is an invited participant in the May 9 panel discussion and will present the physician perspective on the proposal. For details on the workshop and instructions for watching it via webcast, go to <http://www.ftc.gov/opa/2011/05/acoworkshop.shtm>.

AMA presses Administration for flexibility in e-prescribing program

Since the Administration announced that physicians must participate in Medicare's Electronic Prescribing (e-prescribing) program during the first six months of 2011 in order to avoid penalties in 2012, the AMA has repeatedly pointed out that the issue needs to be revisited. The AMA has asserted to the Administration in several senior-level discussions that the current policies will place undue hardship on physicians and more flexibility is needed. Administration officials acknowledge that they understand our concerns and say they are working to address them. The AMA continues to urge the Administration to announce any policy changes as soon as possible.

AMA weighs in on usability of EHRs

In its continuing advocacy efforts for reasonable requirements and flexibility in the Electronic Health Record (EHR) Incentive program, the AMA submitted testimony to the Health IT Policy Committee's Certification and Adoption Workgroup concerning usability issues with EHRs. The AMA's statement raised a number of issues: usability and its

impact on EHR adoption and use; best practices; consequences for patient safety; impacts on coding; and legal issues. The testimony can be found at:
<http://www.ama-assn.org/resources/doc/hit/ama-ehr-usability-statement.pdf>.

CMS releases 2009 quality measurement & e-prescribing data report

On Apr. 19, the Centers for Medicare and Medicaid Services (CMS) released its 2009 Physician Quality Reporting System (PQRS) and e-prescribing incentive program experience report. According to the report, 119,804 physicians and other eligible professionals in 12,647 practices satisfactorily reported on quality measures to Medicare and received an incentive payment. The average 2009 PQRS incentive payment was \$1,956 per eligible professional and \$18,525 per practice. For the 2009 e-prescribing program, the average incentive payment was just over \$3,000 per eligible professional and \$14,501 per practice. While participation in both programs increased, successful participation in the 2009 PQRS program was around 56 percent, and 57 percent for the 2009 e-prescribing program. In an effort to improve successful participation in both CMS programs, the AMA continues to advocate for more timely and meaningful participation feedback and outreach. The full 2009 PQRS and e-Prescribing Experience Report is available on the CMS website at: www.cms.gov/PQRS.

New vendor directory helps physicians select a practice management system

Are your members looking for a new practice management system or an upgraded system that can integrate with electronic health records? Physicians and their practice staff can get the information they need to select the right software with the help of the new **Practice Management System Software (PMSS) Directory**.

The AMA and the Medical Group Management Association (MGMA) offer this free resource for their members as a complement to the recently released “**Selecting a Practice Management System**” toolkit. Built on specific responses to survey questions posed to vendors, this directory can make the search for practice management system software easier. AMA and MGMA members can query, filter options and print out detailed vendor responses to all survey questions. Visit www.ama-assn.org/go/pmssoftware to access the vendor directory and its related toolkit resources today.

Physicians can experience savings with electronic funds transfer

Do your members want to save thousands of dollars per physician annually? Accepting electronic funds transfer (EFT) payments from health insurers and automating their payment process can help your members experience significant savings and:

- Speed up payment
- Save time spent on manual processes such as depositing paper checks and making phone calls to health insurers
- Reduce the risk of lost or stolen checks
- Free time for revenue-enhancing functions such as ensuring correct payment

The AMA’s new **EFT Toolkit** helps make the process of accepting EFT payments hassle-free. The toolkit outlines the steps to getting started, specific considerations for physician practices, and checklists of questions to ask the physician’s bank, health insurers, and

billing service or clearinghouse before signing an EFT agreement. The toolkit also provides an archived webinar with industry experts. Physicians and their practice staff can visit www.ama-assn.org/go/eft to access these free resources and start experiencing the savings in their practices.

AMA testifies before federal committee on administrative simplification solutions

The AMA recently testified before the National Committee on Vital and Health Statistics (NCVHS), an advisory body to the U.S. Department of Health and Human Services, on administrative simplification solutions and the need for standardized acknowledgment transactions. Continued refinement of the HIPAA standard electronic transactions is necessary to make it possible for physicians to fully automate the administrative side of their practices so they can experience significant financial savings and free up time to focus on patient care.

The AMA and MGMA recommended that the ASC X12 acknowledgment transactions (TA1, 999 and 277CA) be added to the list of required HIPAA electronic transaction standards. These transaction standards would help to provide a full audit trail that identifies for the physician what has happened and which entity has touched the submitted transaction (e.g., electronic medical claims and coordination of benefits transactions). With such an audit trail, these transactions would no longer fall into a black hole; physicians would be able to track all their electronic claims in the same way that they can now track packages on their shipment routes.

The AMA also testified on the complexities of coordinating the development of new HIPAA mandated transactions standards versions in coordination with the newly mandated operating rules. The AMA recommended that NCVHS host a two-day meeting targeted specifically at developing an optimal workflow timeline and process that would ensure the successful deployment of each new set of electronic transaction standards and operating rules.

AMA supports DOJ's proposed antitrust judgment against hospital monopoly

In a letter addressed to the U.S. Department of Justice (DOJ) dated Apr. 20, the AMA supported the Department's proposed antitrust judgment against United Regional Healthcare System. The proposed judgment represents an important step towards reining in hospitals that use their monopoly power to force exclusive dealing arrangements onto commercial health insurers to prevent entry by firms that would compete against the monopoly hospital. The AMA's letter states that it is vital for physicians to have equal access to commercial health insurance contracts. Such access allows physicians to play the crucial role of entering new medical facilities into the marketplace to compete with hospital inpatient or outpatient service lines. Without such competition, patients may be harmed by hospitals locking in place high prices and lower quality. Moreover, the DOJ's proposed judgment rightly recognizes that monopoly hospitals should not be allowed to exclude competing physician-owned facilities from commercial health insurance contracts and then be permitted to defend their exclusionary conduct on the ground that the physician-owned facilities may still compete for Medicare and Medicaid patients. Visit www.ama-assn.org/go/antitrust to download the AMA's **letter to the DOJ**.

AMA seeks adoption of standardized reporting form for physician data

For the past 18 months, the AMA has been developing a standardized physician profiling report. If health insurers adopt this model reporting format, or a facsimile, physicians will be able to better understand their data, compare the reported data against reports from other health insurers and receive sufficiently detailed information to determine its accuracy. The model report features:

- quality and cost sections
- Physician Consortium for Performance Improvement (PCPI) measures for quality reporting
- a drill-down format
- patient-level detail
- an electronic reconsideration request system
- color-coding to highlight opportunities for improvement.

In addition to designing this reporting format for health insurers, the AMA plans to work with data clearinghouses to populate the standardized report with physicians' claims data from all payers to assist physicians in using this information for practice improvement.

After previously modeling the form to numerous Federation staff and physician groups, the AMA hosted an all-day meeting with representatives from most of the major national health insurers to demonstrate the report, seek feedback and encourage the health insurers to adopt the report format. More than 50 regional health insurer staff, Federation members and other health care organizations also viewed via webcast. This meeting led to a consensus decision to use the model form as a basis for and example of a set of best practices to report this data to physicians. The AMA will work with Federation staff and the national health insurers to create these best practices.

AMPAC-PAMPAC Regional Seminar

On Sept. 24, AMPAC and Pennsylvania Medical Society's PAC (PAMPAC) will co-host the latest installment of the Regional Campaign and Grassroots Seminar in Harrisburg, PA. This year, the Seminar will focus on grassroots lobbying, advocacy communication and making an impact in a local campaign.

The AMPAC Regional Campaign and Grassroots Seminars are designed to provide training in political campaigns and grassroots lobbying, so that physicians and friends of medicine can help advance medicine's agenda at all levels of government. AMPAC pays for faculty and materials, and a state medical society pays for meeting space and meals and invites attendees.

The AMPAC Board of Directors typically approves funding for two Seminars each year. If you would like more information on co-hosting a Regional Seminar in 2011, please contact Jim Wilson jim.wilson@ama-assn.org.

AMPAC Federation meeting in October: save the date

State PAC Chairs and PAC directors are asked to save Oct. 12-14 for an AMPAC Federation Meeting in Washington, DC. After hearing suggestions from attendees, the AMPAC Board of Directors voted to begin holding the meeting in the fall in Washington.

The agenda is being arranged to provide state leaders time to set up visits with their Representatives and Senators on the morning of Oct. 13. The traditional AMPAC Federation Meeting program (fundraising training, reviews of innovative state programs) will follow in the afternoon, and the agenda will conclude with dinner that evening.

Hotel rooms are being reserved at the Hyatt Regency on Capitol Hill; AMPAC will cover room nights for participants. If you have any questions about the meeting or suggestions for the agenda, please contact Jim Wilson at jim.wilson@ama-assn.org or 202-789-7465.