Health Care Reform: The AMA Perspective

National Summit on Health Disparities

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AMA HSR Objectives: 2008

• Expand Coverage
• Improve Quality
• Reduce costs
• Increased focus on wellness/prevention
• Payment & delivery reforms
AMA Views on ACA

Provisions to retain

- Coverage expansion to 32 million Americans
- Health insurance market reforms
- Administrative simplifications
- Support for primary care, general surgery
- Improved coverage for prevention, wellness
- Liability reform demonstration grants
- Closing the Part D donut hole
- Comparative effectiveness research
AMA Views on ACA

Provisions to change or remove

- More comprehensive liability reform
- Independent Payment Advisory Board
- Cost/quality value index
- Penalties for failing to report quality data
- Form 1099 reporting
- Hospital ownership restrictions
Problematic Proposed ACA Changes

- Dropping individual responsibility provisions
- De-funding CER
- Eliminating the Center for Medicare and Medicaid Innovation
- Using ACA repeal to finance Medicare payment reform
The Growing Gap Between Medicare Physician Payments and Costs

Medicare Payment Reform

- Projected 2012 Medicare cut: 29.5%
- Current cost for 10-year freeze: about $300b
  - Combined pay updates since 2001: 3%
- Assessments
  - Cut of this size is impossible to absorb
  - 10-year freeze is unsustainable
    - Other potential penalties coming under current law
  - Formula must be replaced, not repaired
  - Cost of reform must be offset: How?
    - ACA repeal is an unacceptable offset
  - Urgent pressure to deliver the silver bullet
Payment and Delivery Reforms

• “What comes after the SGR?” linked to other HSR goals
  • Fee for service payment is not evil, but it will no longer be the only model

• Need to incentivize and reward high-quality, patent-centered, cost-effective care
  • Models need to be developed and tested
  • Once size does not fit all

• Physician acceptance and leadership are key to success

• Physicians need tools, resources, information to succeed
  • Given workforce shortages, failure is not an option
How We Get There

- Need for transition to new care and delivery models
  - SGR replacement policy
  - Models of care for other populations
- Educational programs to aid transition
  - “Pathways” program
- “Physician Payment and Delivery Reform Leadership Group” to develop data and tools
  - Apply private sector lessons to Medicare
  - Expand to new practice types, specialties, regions
Moving Forward

• Physicians and the public have divided views on ACA
  • Opponents won the message war
  • Seeds of reform were sown long before 2010 election
• Focus on empowering physicians to navigate the rough waters of change
  • Through advocacy, practice management tools, education