

March 12, 2010

Rebecca J. Patchin, MD, Chair
Board of Trustees
American Medical Association
515 N. State Street
Chicago, IL 60654

Subject: Urging AMA Opposition of Senate Health Reform Bill

Dear Dr. Patchin,

The undersigned organizations are writing to **urge the American Medical Association to immediately and publicly announce your unequivocal opposition to the passage of the “Patient Protection and Affordable Care Act” (H.R. 3590) by the U. S. House of Representatives.** Rather than waiting until you have had an opportunity to review and analyze the legislative language that’s in the so-called reconciliation “side-car” bill -- which will make certain changes to the Senate-passed bill -- the time has come for the AMA to take a firm stand against a bill that will drive a wedge between patients and physicians, is bad for American medicine, and is overwhelmingly opposed by the American people. By taking a firm stand against this legislation now, the AMA can help turn the tide and get lawmakers focused on developing a bill that physicians and their patients can embrace.

While the legislation includes several positive elements that we all support – including expanded health insurance coverage, insurance market reforms, and coverage for prevention and wellness initiatives – the vast majority of the bill is simply unacceptable. It shifts too much control over medical decisions to the federal government, and does not accomplish organized medicine’s health reform priorities. Despite the fact that the AMA and others in medicine have tried to work constructively with congressional leaders and the President to improve this legislation, the changes that were recently proposed by President Obama do not address the significant concerns that we have with the Senate bill and will not produce health system reform legislation that adequately reflects AMA policy.

In terms of specifics, the bill...

- Fails to permanently repeal the sustainable growth rate (SGR) formula
- Lacks proven medical liability reform
- Creates the Independent Payment Advisory Board (IPAB), which would make arbitrary cuts in physician reimbursement with little or no Congressional oversight
- Expands role of the federal government into the practice of medicine in a number of ways, including mandated insurance benefit plans, mandating employer and individual insurance coverage, and determinations of quality by federal agencies or quasi-federal entities such as the NQF

- Mandates participation in Medicare's Physician Quality Reporting Initiative (PQRI) or physicians will be subject to penalties for nonparticipation
- Fails to guarantee patients and physicians the right to privately contract without penalty
- Restricts physician ownership of specialty hospitals
- Expands coverage by putting more Americans on Medicaid, thereby shifting costs of care to physicians who are already paid below the cost of delivering care and to the states that are already operating under severe budget constraints
- Establishes a quality/cost payment modifier that would redistribute Medicare payments in a budget-neutral manner among physicians based on outcomes, quality or accurate
- Expands the physician resource utilization and feedback program using the unproven episode grouper system
- Creates a CMS Innovation Center which gives CMS broad authority to implement -- with little or no Congressional oversight -- payment reform pilot projects including Accountable Care Organizations, bundling, and quality-based reimbursement
- Allows public reporting of physicians claims data to develop performance reports
- Mandates utilization of certain patient safety evaluation systems, rather than supporting voluntary patient safety reporting programs
- Expands the Recovery Audit Contractors (RAC) program
- Establishes a process outside of the AMA Relative Value Update Committee (RUC) to adjust so-called misvalued CPT codes
- Fails to include antitrust relief to allow independent groups of physicians to collaborate on quality, care coordination, and other ways to improve their practices

In addition to this laundry list of problems, the Senate bill does not meet President Obama's stated goal of lowering health care costs and ultimately, will lead to higher taxes, increased premiums, and additional cuts in payments to providers. Just this week, Sen. Dick Durbin -- the second highest ranking democrat in the Senate -- stated on the floor of the Senate that:

"Anyone who would stand before you and say well, if you pass health care reform, next year's health care premiums are going down, I don't think is telling the truth. I think it is likely they would go up, but what we're trying to do is slow the rate of increase."

This statement echoes the findings of the Congressional Budget Office and the Joint Committee on Taxation, which estimate that the cost of the average premium per person "for new nongroup policies would be about 10 percent to 13 percent higher" under the Senate bill as compared to current law. For individuals in the small and large group markets, the reform measure would largely have no major effect one way or another on premiums.

We agree with the AMA that the status quo is unacceptable for physicians and our patients. However, we are equally firm in our belief that we must defeat this bill -- which goes well beyond that which is necessary to fix the broken elements of our current healthcare system. Once defeated, the AMA can then emerge and take a leadership role to help Congress craft a bill that can be proudly supported by physicians and patients alike.

Sincerely,

Medical Association of the State of Alabama
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association
Medical Association of Georgia
Kansas Medical Society
Medical Society of New Jersey
Oklahoma State Medical Association
South Carolina Medical Association
Tennessee Medical Association
American Academy of Facial Plastic and Reconstructive Surgery
American Association of Neurological Surgeons
American Society of General Surgeons
Congress of Neurological Surgeons

cc: AMA Board of Trustees
Michael D. Maves, MD
Richard A. Deem