

WASHINGTON STATE MEDICAL ASSOCIATION

Position Statement on HR 3590, the “Patient Protection and Affordable Care Act”

December 14, 2009

The WSMA applauds the policy debate in Congress on how best to meet the two basic objectives of health care reform, both of which the WSMA strongly supports:

1. Making affordable health care insurance available to all Americans while also providing a real public safety net.
2. Making health care more affordable and promoting the best use of our health care dollars.

HR 3590 includes improvements over the House bill, HR 3962, as it:

1. Eliminates a five percent Medicare payment cut for “outlier” physicians, applied annually.
2. Changes the Medicare quality reporting program provisions.
3. Reduces Medicare participation fees from \$350 annually to \$200 periodically.

However, the WSMA has some serious concerns about other provisions of the bill. The WSMA has not taken a position on HR 3590 in its entirety.

WSMA positions on specific provisions of HR 3590

Lack of SGR reform – HR 3590 would avoid a 21% cut in Medicare physician payments in 2010, instead making a 0.5% increase, but does not repeal the SGR methodology. The WSMA position: Repeal and development of a new payment model that keeps pace with the cost of running a practice and is backed by a fair, stable funding formula must be accomplished. Short term patches are not acceptable.

New Commission – HR 3590 creates an independent commission to oversee payment cuts for physicians who are already subject to expenditure targets and other potential payment reductions. It does not apply equitably to all health care stakeholders and protects significant portions of the Medicare program from cuts for the first four years. The WSMA supports the AMA’s opposition to the commission as it is currently structured.

Physician Quality Reporting Initiative (PQRI) – The bill improves the program by requiring timely feedback to physicians and an appeals process, as well as extending the period of bonus payments to allow for further improvements and broader physician participation. The program remains challenged administratively, including limited data gathering capacity and barriers to participation resulting in a skewed mix of physicians’ services. The WSMA supports the provision with qualifications.

Provider enrollment fees – HR 3590 imposes participation fees on physicians, another administrative burden. While the amount has been reduced from \$350 per year to \$200 every five years (paid when physicians re-verify their participation in the program), the WSMA opposes this provision.

Lack of fundamental tort reform. The WSMA strongly opposes the exclusion of this issue.

Primary Care and General Surgery Bonus – HR 3590 provides bonus payments for primary care and general surgery, but with budget neutral offsets. The WSMA supports incentives that underwrite the costs associated with providing quality care.

Lack of antitrust reform for physicians. The WSMA opposes this omission.

Tax on Cosmetic Procedures – The bill imposes a five percent excise tax on elective cosmetic surgical and medical procedures, to be collected at the point of service. The WSMA opposes taxes on physicians' services.

Public Option/Medicare Buy-in

A compromise on the public option issue has been announced. It includes allowing persons between the age of 55 and 64 who do not have employer-provided health insurance coverage to enroll in Medicare (the Medicare “buy-in”), and creating two national private insurance policies, under the oversight of the Office of Personnel Management (similar to the federal employees program), that also would be available to those persons. Further details are unknown as of this writing.

The WSMA strongly opposes a Medicare buy-in option. Adding enrollees to a program that already is in financial jeopardy and which inadequately compensates physicians for the services they provide will only worsen existing, and well documented, access to care problems.

Medicaid is expanded as eligibility is expanded to low income individuals below 133% of FPL. The expansion would be fully funded by the federal government through 2017. The WSMA supports a strong safety net. The WSMA does not support a cost shift of mandated federal benefits to the states.

Fraud and Abuse Provisions – The bill includes a wide variety of fraud and abuse provisions, that cast a wide net in order to find a select number of individuals intent on defrauding public health care programs. It also includes provisions that would penalize physicians where they had no intention of defrauding the programs and any wrongdoing was the result of an honest mistake. The WSMA opposes these provisions, and expansion of the Medicare Recovery Audit Contractor (RAC) program.

Insurance plan policies – HR 3590 includes guaranteed renewability, modified community ratings and elimination of pre-existing condition denials. The WSMA supports these provisions; however, the bill should include stronger mandate for consumer participation. Requiring these changes without getting everyone into the insurance pool would drive up premiums.

Individual and employer mandates – Both mandates are included. The WSMA supports either or both forms of mandate.

Imaging use reductions – Provisions would significantly reduce payment for these services. The WSMA thinks there are better ways to address high cost/high tech imaging services (per legislation passed in this state in 2009 – ESHB 2105).

The bill includes a **medical home pilot program** for Medicare beneficiaries for in-home care. WSMA supports the medical home concept as it applies to innovative approaches of treating, and paying for, certain chronic disease conditions.

The bill includes **promotion of comparative effectiveness research** and having the IOM study variations in health care spending and to recommend strategies for addressing the variations. The WSMA supports.

Graduate Medical Education is supported by directing the redistribution of vacant residency slots for training of primary care physicians. The WSMA position – more needs to be done with all areas of potential shortages.

Preventive and wellness services for Medicaid patients and other segments of the public are expanded. The WSMA supports.

The bill **does not repeal the federal antitrust exemption for health insurers**, as does the House bill. The WSMA supports the repeal of the exemption for health insurers. It does not support repeal for medical liability companies.

Review of elements of senate reform bill
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