



ADVOCACY UPDATE

April 21, 2011

More than 2,000 physicians respond to AMA survey on reg relief

On January 18th, President Obama issued an executive order which called on each agency to review regulations in order to streamline and reduce regulatory burden. The AMA sought input from both states and specialties on recommendations to the Center for Medicare and Medicaid Services (CMS). In addition we conducted a survey to which more than 2,000 physicians responded. On April 13th, the AMA submitted our comments to CMS urging the agency to take action on numerous regs. The AMA's letter emphasized a number of concerns including: unfunded federal mandates, elimination of Medicare payment for physician consultations, easing the burden of audits, and incompatible and inconsistent quality initiatives. To review the AMA's recommendations:

<http://www.ama-assn.org/resources/doc/washington/regulatory-burden-reduction-letter-13april2011.pdf>

Also on April 13th, CMS posted a notice in the federal register encouraging feedback on the President's executive order. Comments are due to the agency by May 12th. The AMA has circulated our letter to the Federation and we are encouraging states and specialties to submit comments as well. To view CMS federal register notice on the topic and submit comments, please visit:

<http://edocket.access.gpo.gov/2011/pdf/2011-8780.pdf>

HHS launches new patient safety initiative

On April 12th, the Department of Health and Human Services (HHS) launched a new patient safety initiative entitled, "Partnership for Patients: Better Care, Lower Costs." AMA's President, Cecil Wilson, MD, participated in the launch. According to HHS, this initiative will seek to accelerate the reduction of hospital-acquired conditions with a goal of reducing them by 40 percent between 2010 and the end of 2013. The initiative will also seek to decrease preventable hospital readmissions within 30 days of discharge, so that by 2013 readmissions would be reduced by 20 percent compared to 2010. Specifically, the federal government will provide financial resources for technical support to physicians, nurses, and other clinicians working in and out of hospitals to test large scale implementation of care delivery models that make patient care safe, and to support effective transitions of patients from hospitals to other settings. HHS will invest \$500 million in the Medicare Community-based Care Transition program and the Center for Medicare and Medicaid Innovation (CMMI) will make \$500 available for training and support to address hospital-acquired conditions. Participation in this initiative is voluntary, and penalties will not be applied to participants if the percentages are not met. Additional

information regarding this initiative can be found at www.HealthCare.gov/center/programs/partnership. To learn more about the Community-based Care Transitions Program and its funding opportunities, please visit www.cms.gov/DemoProjectsEvalRpts/MD/itemdetail.asp?itemID=CMS1239313.

ACO feedback

The AMA is beginning an educational effort as well as a dialogue with the Federation on CMS's Medicare Shared Savings/Accountable Care Organization (ACO) regulation and the accompanying policy statements. The Medicare ACO program is a voluntary, three year program to further develop the ACO model of delivery reform. On April 20, AMA President, Cecil Wilson, MD, hosted a webinar on the ACO regulation. In the coming weeks, AMA staff will solicit feedback on the regulations from states and specialties through meetings and conference calls. Prior to the comment deadlines, the AMA plans to circulate a draft to the Federation. Below are the links to regulations.

http://www.ofr.gov/OFRUpload/OFRData/2011-07880_PI.pdf

http://www.ofr.gov/OFRUpload/OFRData/2011-07884_PI.pdf

<http://www.ftc.gov/os/fedreg/1/03/110331acofrn.pdf>

<http://www.irs.gov/pub/irs-drop/n-11-20.pdf>

New URL for CMS Quality Reporting Program

CMS recently announced that the Physician Quality Reporting System URL has changed. In the Calendar Year 2011 Medicare Physician Fee Schedule Final Rule that was published in the Federal Register on November 29, 2010, CMS announced the renaming of the Physician Quality Reporting Initiative (PQRI) to the Physician Quality Reporting System. As a result of the name change, the Physician Quality Reporting System's web page URL address has also changed. The new URL address is

<http://www.cms.gov/pqrs> on the CMS website. The previous URL address

(<http://www.cms.gov/pqri>) will automatically redirect to the new URL address. Please note that educational materials and content that currently refer to PQRI will be changed over time to reflect the new name.

Deficit reduction proposals include entitlement reform recommendations

Multiple proposals to significantly cut spending and reduce the federal budget deficit and debt have been unveiled during the last two weeks. Of note, House Budget Committee Chairman Ryan introduced the Fiscal year 2012 Congressional Budget Resolution (H.Con.Res. 34), which was approved by the House on April 15 by a mostly party-line vote of 235 to 193. While the function of the Budget Resolution is to establish budgetary levels for the next 10 years, the accompanying document to the resolution, known as "The Path to Prosperity," makes specific policy recommendations for cutting discretionary and mandatory spending. On April 13, President Obama offered his proposal for reducing spending in "The President's Framework for Shared Prosperity and Shared Fiscal Responsibility." Both of these proposals would significantly reform the Medicare and Medicaid programs with the intent of making them fiscally sustainable and reducing the budget deficit. President Obama has asked Vice President Biden to lead a bipartisan, bicameral panel composed of 16 lawmakers to engage in deficit reduction negotiations. The first meeting of the panel will be held on May 5th. In the Senate, a bipartisan group of Senators known as the "Gang of 6," is also drafting legislation based on the December

1, 2010 recommendations of the National Commission on Fiscal Responsibility and Reform. Members of the “Gang of 6” include Senators Conrad (D-ND), Durbin (D-IL), Warner (D-VA), Crapo (R-ID), Coburn (R-OK), and Chambliss (R-GA).

AMA Position: The AMA supports efforts to insure the fiscal sustainability of Medicare and Medicaid in order to preserve access to care for beneficiaries served by those programs. These talks, however, are in the very early stages. The AMA looks forward to working with the House, Senate, and White House as they begin to discuss entitlement reform. The AMA also believes that any efforts to reform Medicare must also include repeal of the SGR and implementation of a new payment system that will appropriately reflect the cost of providing care.

Energy and Commerce Committee holds hearing on medical liability reform

On April 6, 2011, the House Energy and Commerce Subcommittee on Health held a hearing on the cost of medical liability proposals for reform, including H.R. 5, the “Help, Efficient, Accessible, Low-cost, Timely, Healthcare (HEALTH) Act.” The majority of Republicans argued medical liability reform is an access and quality issue for patients and would reduce the cost of defensive medicine. Democrat members argued medical malpractice liability is a state issue and not a federal one.

Previously, H.R. 5 was approved by the House Judiciary Committee on February 15. The Health Subcommittee hearing was the first step toward moving H.R. 5 through the Energy and Commerce Committee. The Energy and Commerce Committee must hold a mark-up on H.R. 5, which has not yet been scheduled, prior to consideration of the bill by the full House.

AMA Position: The AMA strongly supports H.R. 5 and is working to secure passage by the full House.

Congress adopts FY 2011 budget agreement

The House of Representatives and Senate passed the Full-Year Continuing Appropriations Act of 2011, H.R. 1473, on April 14th. This legislation to fund the federal government for the remainder of fiscal year 2011 reduces current spending levels by approximately \$38.5 billion. H.R. 1473 affects two specific programs in the Affordable Care Act: it rescinds \$2.2 billion of the \$6 billion in start up funds for the formation of not-for-profit health insurance cooperatives; and it eliminates a voucher program to allow low-income workers to opt out of their employer-sponsored health plans and obtain coverage through the state-based health insurance exchanges. This legislation also requires the federal government to conduct four studies on the effects of the health reform law, including a GAO audit of comparative effectiveness research funding as well as a GAO report on the costs and processes of implementing the law.

Oklahoma medical liability reform efforts successful

On Apr. 5, 2011, Oklahoma Gov. Mary Fallin signed House Bill (H.B. 2128). The act establishes a \$350,000 cap on non-economic damages for claims for bodily injury filed on or after Nov. 1, 2011. The act does not affect the amount of economic damages that a trier or fact can award to a plaintiff. The \$350,000 cap on non-economic damages applies

regardless of the number of parties against whom the action is brought or the number of actions brought. The cap can be lifted if a judge or jury find by clear and convincing evidence that the defendant's acts or failures to act were reckless, grossly negligent, fraudulent or intentional. The Oklahoma State Medical Association led the lobbying efforts on this bill, and the AMA offered advocacy support, including **letters** on behalf of the bill to the Oklahoma governor, senate and house leadership. For more information on H.B. 2128 and other AMA state-level medical liability reform advocacy efforts, please visit the **Advocacy Resource Center Web site**.