

## **Shaping Health System Reform**

**MASA's 2010 Annual Session  
April 9-10  
Huntsville, Alabama**

Produced by the Alabama Department of Public Health  
Video Communications and Distance Learning Division

## **Faculty**

**W. Jeff Terry, MD  
Mobile Urology Group  
Mobile, Alabama  
Former AMA Council on Medical  
Service Member**

### **\* Health Care Reform**

- \* National Health Policy Effect on Medical Practices**
- \* Patient – Physician Relationship**
  - \* Patient & Physician Involvement in Policy**
- \* Organized Medicine (MASA & AMA)**

## **Health Care Reform It's Never Over**

- 1916 - AMA advocated national health insurance**
- 1920 - AMA opposed national health insurance**
- 1935 - Social Security (SS) established**
- 1952 - Universal health plan through SS was pronounced**

## **Health Care Reform It's Never Over**

- 1961 - AMA supported Kerr-Mills law (age + need based)**
- 1965 - AMA opposed King-Anderson bill which is our present age based entitlement Medicare system, DRG system, RBRVS, Managed Care, P4P, Medicare part D**
- 2010 - Patient Protection and Affordable Care Act**

## **Critical Elements for Health Reform**

- Health insurance coverage for all Americans**
- Expand choice and eliminate denials for pre-existing conditions**
- Ensure health care decisions are made by patients and their physicians - not government**
  - Strengthen the PP relationship**

### **Critical Elements for Health Reform**

- **Quality improvement, prevention, and wellness**
- **Eliminate the SGR and protect seniors' access to care**
- **Medical liability reforms to reduce defensive medicine costs**
- **Guarantee the right to private contract between patients and physicians**

### **Critical Elements for Health Reform**

- **Streamline insurance claims to reduce administrative burdens**

### **National Health Policy**

- **Move away from mandates and entitlements**
- **Support hard work, responsibility, consequences, compassion**
- **Define health care as a privilege and not a right**
- **Base policy on what works for the majority of Americans**

### **National Health Policy**

- **Base policy on hypothesis that individuals do the right thing for the right reason**
- **Be fiscally responsible and put the \$ in the equation**
- **Policy must be based on a firm foundation**
- **Preserve patient-physician relationship**

### **National Health Policy**

- **Free market economic principles where the \$ plays a role**
- **Competition, appropriate incentives, and consequences**
- **Preserve the right for patients to privately contract with physicians without 3rd party interference or penalty**

### **National Health Policy**

- **Government's role**
  - **Cover indigent, tax reform, insurance reform, Medicare reform, medical liability reform, and medical education reform**

### **Effect on Medical Practices**

- Most physician practices are small
- More government regulations will increase overhead and decrease autonomy
- Lack of medical liability form
  - Promote defensive medicine, increase overhead, increase cost of medicine

### **Effect on Medical Practices**

- Too many government rules put them in the middle of patient-physician relationship
- Government control of finances and quality issues equals recipe for rationing
- Physicians will be forced to participate in PQRI and other reporting requirements which increase overhead

### **Effect on Medical Practices**

- The IPAB can arbitrarily reduce payments to physicians taking care of Medicare patients
- Hard to recruit new physicians into the practice
- The inability to participate in the “business” of medicine will effect what you can do in your practice
  - Hospital ownership, labs, CT scanners, lithotripters, etc.

### **Effect on Medical Practices**

- Physicians must be allowed to be part of the free market
- Low reimbursement and inability to respond in market
  - See more patients with less time face to face
  - Drop out of unfair plans and restrict who you see

### **Effect on Medical Practices**

- Increase loss of individual freedoms
- Increase costs shifted to our children and grandchildren
- Increase risk of having treatments which are cheapest for government rather than best for patient

### **Patient-Physician Relationship**

- This relationship is sacrosanct and should be untouchable and nothing should interfere with it
- Trust is the foundation of this relationship and is the essence to the “art” in providing medical care

### **Patient-Physician Relationship**

- **MASA is part of a coalition of states and specialties**
  - **Committed to preserving the patient-physician relationship and keep free of outside interference**
  - **Ensure quality is determined by physicians**

### **Patient-Physician Relationship**

- **Committed to medical liability reform**
- **Promote the right to privately contract**
- **Physician's primary responsibility is to the patient**

### **Patient-Physician Relationship**

- **A good patient-physician relationship + medical liability reform = appropriate care for a given situation**
  - **This is especially true for end of life care**

### **Patient-Physician Relationship**

- **Patient-physician relationship should be the basis of reform along with transparency, competition, and free market principles where the \$ plays a role**

### **Patient-Physician Involvement in Policy**

- **Both need to be involved in developing reform**
- **We need a system that has value (quality/cost) where individuals will want to purchase health care insurance and will want to live healthier lives**

### **Patient-Physician Involvement in Policy**

- **Patients and physicians need to be motivated with appropriate incentives and consequences to increase the value of services received and provided**

**Organized Medicine  
(MASA, AMA)**

- You cannot practice medicine on an island - sharks and pirates
- To put patients first you need an appropriate environment
- Specialty societies keep you up to date on best practices
- Battles of medical liability, scope of practice, competency and licensing cannot be fought as an individual

**Organized Medicine  
(MASA, AMA)**

- MASA and AMA work for everyone on a state and national level
- MASA and AMA have a plan
  - [www.voicefortheuninsured.org](http://www.voicefortheuninsured.org)
    - Regretfully it has not been considered in Washington
  - Try to implement our plan one part at a time

**Organized Medicine  
(MASA, AMA)**

- Encourage physicians to run for Congress
  - 20 are this year

**Organized Medicine  
(MASA, AMA)**

- Our vision encompasses 10 principles and needed reforms
  1. Greater individual responsibility and ownership of their health insurance policy

**Organized Medicine  
(MASA, AMA)**

2. Health insurance reform
  - Protect high risk patients, prevent exclusion of pre-existing illnesses, change market regulations, increase competition across state lines, promote HDHCP's and HSA's, and lessen mandates

**Organized Medicine  
(MASA, AMA)**

3. Antitrust reform
  - Physicians should be allowed to negotiate contract terms that increase patient choice and improve quality of care

### **Organized Medicine (MASA, AMA)**

4. Subsidies for those who need financial assistance
- Advanceable, refundable tax credits on a sliding scale inversely related to income up to 500% of poverty level

### **Organized Medicine (MASA, AMA)**

5. Tax system reform
- Present system is unfair and regressive
  - Money saved by not allowing tax deductions for insurance premiums will cover the needed tax credits

### **Organized Medicine (MASA, AMA)**

6. Medical liability reform
- The California system for 30 years has been successful
  - If implemented for the entire country - save \$500 billion over 10 years
  - No immediate savings

### **Organized Medicine (MASA, AMA)**

7. The right to privately contract between patients and physicians will improve access and give the government budget certainty

### **Organized Medicine (MASA, AMA)**

8. Put value in the system where individuals will want to purchase insurance and live healthier lives without needing a mandate
- Value will require responsibility, proper incentives, and consequences - perhaps a repeal of EMTALA laws

### **Organized Medicine (MASA, AMA)**

9. Reform Medicare before it goes bankrupt
- Move away from an entitlement system based on age
  - CMS report 9 (A-03) - Short term changes
  - CMS report 5 (I-03) - Long term changes

### Organized Medicine (MASA, AMA)

- CMS report 10 (A-07) - Strengthen Medicare
- CMS report 6 (I-07) - Strengthen Medicare
- CMS report 6 (A-08) - Medicare trust funds

[www.ama-assn.org/ama/pub/about-ama/our-people/ama-councils/council-medical-service/reports-topic.shtml](http://www.ama-assn.org/ama/pub/about-ama/our-people/ama-councils/council-medical-service/reports-topic.shtml)

### Organized Medicine (MASA, AMA)

**10. Medical education reform**

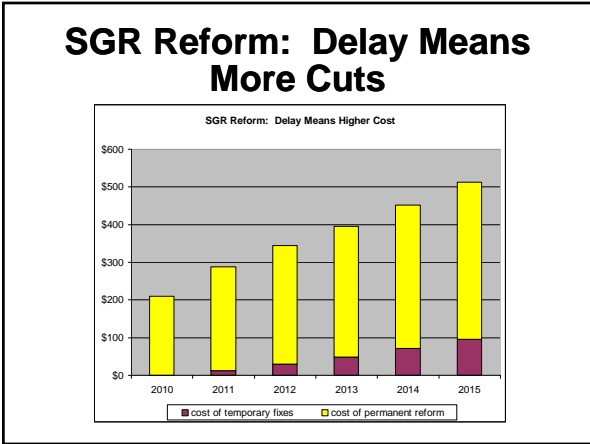
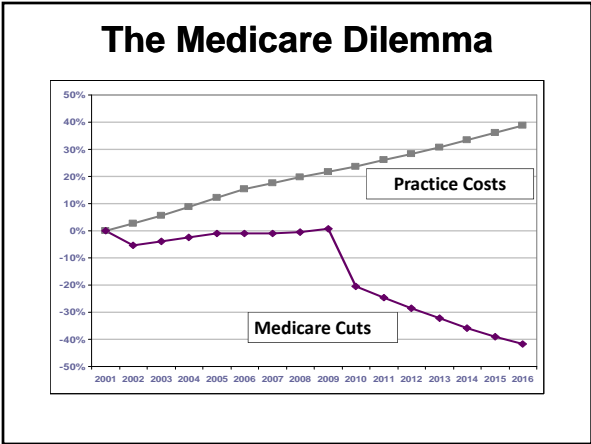
- Are we concerned about who our future doctors will be?
- 7-10 years of school after college + \$200,000 debt + decreased autonomy + decrease return on investment = privilege of being physician not worth commitment

### Fixing the Patient Protection and Affordable Care Act

- Next steps
  - Permanent repeal of SGR
  - Clearly defined scope and authority of IPAB
  - Modify the cost-value quality index for Medicare payments

### Fixing the Patient Protection and Affordable Care Act

- Safeguards for release of Medicare data and public reporting
- Medical liability reform



### Summary

1. Reform passed
  - Positive or negative?
  - When will we know details?
  - 8 years to implement
  - Some taxes will never be implemented?
  - Guaranteed to cost more than what the President says

### Summary

2. Organized medicine
  - Understand the bill and work hard to make changes and incorporate the 10 ideas just discussed
3. Personally I think we need to repeal individual mandate and all rules that interfere with the patient-physician relationship and regulations that will decrease autonomy

### What's in the Legislation?

- Coverage expanded to 32m currently uninsured Americans
- Insurers can no longer deny coverage to those with pre-existing conditions
- Patients no longer face lifetime caps or threat of cancellation

### What's in the Legislation?

- Young people can stay on parents' policies until age 26
- More competition in insurance marketplace
- Tax credits for small businesses to purchase coverage
- Greater transparency and accountability for insurance companies

### What's in the Legislation?

- Subsidies for low-income individuals and families to purchase coverage
- Streamlined insurance claims processing
- Closes Medicare Part D coverage gap
- Clinical comparative effectiveness research cannot be used to dictate treatment decisions or coverage

### What's in the Legislation?

- Promotes prevention and wellness initiatives
- Funding for alternative medical liability reforms
- Primary care payments under Medicaid raised to Medicare rates for two years



**Items AMA Helped Remove  
from the Bill**

- Extending Medicare to 55 and older
- 0.5% Medicare payment cuts for physician services to fund bonuses for primary care
- 5% Medicare payment cuts for physician outliers in frequency of ordering imaging and tests

**Items AMA Helped Remove  
from the Bill**

- Tax on elective cosmetic surgery and medical procedures
- Medicare/Medicaid enrollment fees for physicians
- Public option