

Texas Medical Association's Healthy Vision 2020



TMA's Federal Legislative Agenda

Caring for Patients in a Time of Change

Here's something Congress can do to make an immediate, positive impact on health care: It's time to eliminate costs and hassles that don't contribute or add value to patient care. New regulations and mandates are bombarding physician practices seemingly every day. Last January, a new electronic format for claims and other electronic transactions (called "HIPAA 5010") added costs to physician practices. The switch to the International Classification of Diseases and Related Health Problems version 10 (ICD-10) next year will require physicians to adopt an entirely new language to record all possible diagnoses and inpatient procedures, adding significant training costs.

Medicare's required Physician Quality Reporting System (PQRS) provides a monetary incentive at first but imposes penalties beginning in 2015. New state and federal privacy laws introduce more administrative burden, and severe penalties for noncompliance. Stepped-up state and federal "fraud" detection has resulted in monumental compliance programs that further increase the cost of running a practice. These changes have limited documented evidence they will improve care or reduce fraud or protect privacy but complete assurance they will increase the cost of doing business in medicine.

All of those unnecessary bureaucratic hassles come against the backdrop of the never-ending payment uncertainty due to the annual, cliff-hanger battle over Medicare payment cuts imposed by the Sustainable Growth Rate (SGR) formula. Frustrated physicians are dropping out of the program; last year only 58 percent of Texas physicians accepted all new Medicare programs, down from 78 percent in 2000.

Put ICD-10 on permanent hold

ICD-10 adoption, which will mandate extensive revision of physicians' paper and electronic systems, is a costly regulation that will create significant burdens on the practice of medicine with no direct benefit to individual patient care. Transition to the new system is expected to cost solo physicians as much as \$83,000 each, and group practices of up to 10 doctors as much as \$250,000. And the punishment for noncompliance is severe: no payment for any medical services provided.

TMA Recommendations

- Put ICD-10 on permanent hold until ICD-11 or another appropriate replacement for ICD-9 is ready for widespread implementation.
- Require government agencies to consider the disruption that new regulations and penalties introduce into medical practices and refrain from introducing new hurdles. The one-year delay of ICD-10 was a step in the right direction.
- Protect physicians who care for chronically ill or noncompliant patients from quality-of-care measures that do not account for such variances in patient populations. Stop implementation of Medicare's "value-based purchasing" program, unless physicians who treat these populations are treated fairly.
- Repeal legislation that limits physician ownership of hospitals.
- Repeal the broken Sustainable Growth Rate formula. Enact a rational Medicare physician payment system that works and is backed by a fair, stable funding formula.
- Repeal the Independent Payment Advisory Board (IPAB). Keep Congress accountable for the Medicare system. If decisions are made to limit funding for health care services, priorities will have to be set. That should not be left, however, to an unelected and unaccountable IPAB.
- Pass the Medicare Patient Empowerment Act. Give physicians the ability to contract directly for any and all Medicare services.



Physicians Caring for Texans

Replace harmful restrictions with realistic incentives

The Patient Protection and Affordable Care Act (PPACA) relies on payment based solely on outcomes and mandates pay adjustments for all physicians. This may selectively penalize physicians who treat disadvantaged patients. Pay-for-performance systems that do not risk-adjust properly for patients' health status, relying solely on claims data to evaluate care, will likely hurt the patient-physician relationship.

Support responsible ownership of hospitals

One of the PPACA's more egregious sections significantly inhibits physicians' legal right to own or invest in hospitals and other facilities that provide their patients high-quality care. Section 6001 prohibits new doctor investment in hospitals that take Medicare patients; no physician-owned hospitals may start nor may current ones expand.

Studies show physician-owned hospitals have better outcomes, shorter hospital stays, and much higher patient satisfaction ratings than nonphysician-owned hospitals.

Congress should focus not on who owns the medical facility but on the quality of the facility and appropriateness of patient care. Referrals to a physician-owned entity or one in which the physician has a financial relationship must be based on the patient's medical needs, and full disclosure to patients is appropriate. If overutilization or deviations from quality care are the issues, lawmakers should address those problems regardless of ownership, rather than limiting patient choice and innovation in the marketplace.

Stop the Medicare Meltdown — repeal the SGR

Without a robust network of physicians to care for the millions of patients dependent on Medicare, the program will not work. As bad as today's numbers are, a TMA survey indicates that half of all Texas physicians are considering opting out of Medicare altogether. This is because federal law requires Medicare payments to physicians to be modified annually using the SGR. Because of flaws in how it was designed, the formula has mandated physician fee cuts every year for the past decade. Only short-term congressional fixes have stopped the cuts.

Without a permanent solution, the size of the cuts continues to grow to almost 30 percent.

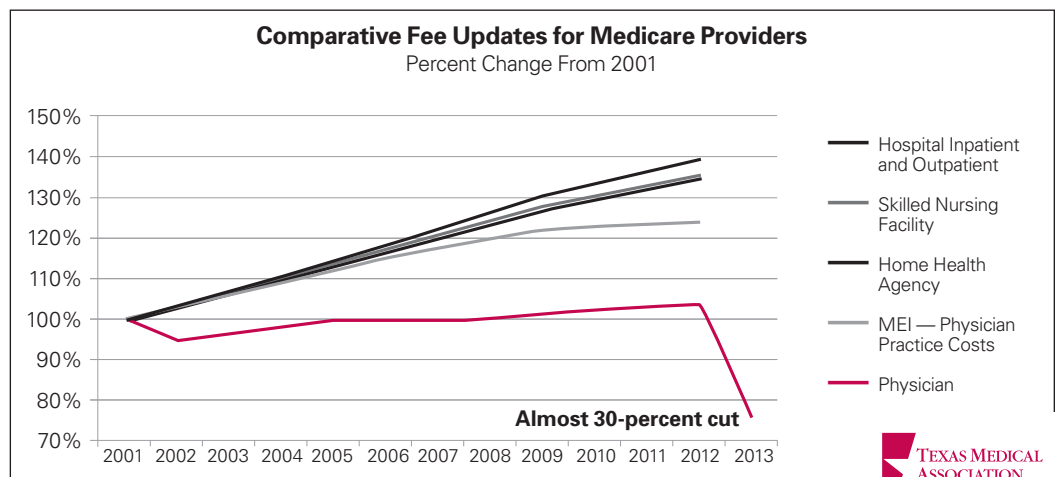
We all recognize the value that hospitals, nursing homes, home health services, and other health care providers give to Medicare patients. Over the past decade, they have received annual payment increases, while physicians have not.

Repeal the Independent Payment Advisory Board

The PPACA created the 15-member Independent Payment Advisory Board to recommend measures to reduce Medicare spending. The panel is prohibited from recommending changes to eligibility, coverage, or other factors that drive utilization of health care services. This means the board will have only one option — cut payments. And through 2019, hospitals, Medicare Advantage plans, Medicare prescription drug plans, and health care professionals other than physicians are exempt. This means the board will have only one option — cut Medicare payments to physicians. Cuts the board recommends will automatically take effect, unless Congress acts to suspend them.

Allow Medicare beneficiaries to contract directly with physicians for care

As baby boomers come of Medicare age, we will need to change some of Medicare's inflexible rules to ensure patients have access to a physician. One way to accomplish this is to allow Medicare patients to see any physician of their choice. The Medicare Patient Empowerment Act would allow seniors to use their current Medicare coverage to see a doctor who is not accepting Medicare. It would strengthen patient choice and access to physicians.



U.S. Department of Labor, Centers for Medicare & Medicaid Services, 2012