February 20, 2013

The Honorable David Camp
Chairman
House Ways & Means Committee
341 Cannon House Office Building
Washington, DC 20515

The Honorable Fred Upton
Chairman
House Energy & Commerce Committee
2183 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Camp and Chairman Upton:

On behalf of the Board of Directors of the American Medical Group Association (AMGA), I am writing today to commend you for your leadership to address the flawed Medicare physician sustainable growth rate (SGR) formula. We greatly appreciate your recognition of this problem, as well as the time and energy your staffs are dedicating to this important health care issue. It is our honor to provide comments concerning your White Paper entitled, "Overview of SGR Repeal and Reform Proposal."

AMGA represents multi-specialty medical groups and other organized systems of care, including some of the nation's largest, most prestigious integrated health care delivery systems. Specifically, the Association represents 430 medical groups that employ nearly 130,000 physicians who annually treat more than 130 million patients in 49 states. A sizable number of these patients are Medicare beneficiaries. We therefore have a strong interest in the development and implementation of a Medicare payment structure that provides long-term stability for their patient populations, their physicians, and movement toward a value-based payment system.

While AMGA greatly appreciates temporary SGR reprieves, we are extremely concerned about the scheduled Calendar Year 2014 25 percent reduction in Medicare physician reimbursement, absent Congressional intervention. While we appreciate previous congressional reprieves, the constant 'start and stop' represented by the passage of those short-term SGR patches has not only impacted AMGA members, it has resulted in uncertain access for Medicare beneficiaries and financial hardship for the nation's medical community.

AMGA recognizes that Congress constantly faces multiple and competing priorities. We are also keenly aware of our country's fiscal condition and existing budget constraints. While AMGA members realize the challenge of fixing SGR and welcome the current temporary SGR patch, a longer-term if not permanent solution would provide patients and medical groups with greater certainty and stability. In addition, a longer-term solution would reduce administrative costs – federal and private – that accumulate from the application of these short-term patches. A longer term solution will also provide Congress with the opportunity to reform Medicare's

reimbursement system to reward for quality and performance, thus measurably improving care for Medicare beneficiaries.

1. Physician Fee Schedule Payment Updates Based on Performance

We found your four-step approach to address the SGR very thoughtful. It is our understanding that Phase I of your proposal would repeal SGR and provide for a period of predictable, statutorily-defined payment rates. Following this period of stability, physician fee schedule payment updates will be based on performance of meaningful, physician-endorsed measures of care quality and participation in clinical improvement activities.

In that light, AMGA would like to encourage you to develop a new category or 'bucket' within the SGR formula that would reward high-performing health systems for quality of care rather than for quantity of care. Rather than provide rewards to individual physicians, this new category would reward multi-specialty medical groups or other organized systems of care that have demonstrated success managing the per capita cost of health care, improving the overall patient experience, and improving the health of their respective population and or population cohorts. Rewarding high-performing health systems will steer Medicare toward a durable physician payment system that will preserve access to the highest quality health care for Medicare beneficiaries.

For definitional purposes, organized systems of care are integrated systems, either internally, or through partnerships with other care sites, such as acute care hospitals, inpatient rehabilitation facilities, skilled nursing homes, and hospices. In addition, organized systems of care include physicians as the principal leaders of all clinical programs. Organized systems of care also assume accountability for coordination across transitions of care. Ultimately, this new category we are proposing would incentivize care coordination, via a team-based approach that engages the patient, the clinician, and other members of the health care team to improve the patient's well-being.

In fact, the AMGA Board of Directors recently approved the attached definition of the term, "high-performing health systems." We believe that you can use the attributes, which are encompassed in this definition, to transition Medicare from a volume-oriented system to one that rewards for value.

2. Quality Measurement and Clinic Improvement Activities

Systematic quality measurement and improvement activities are essential for a patient-centered, value-based approach to health care delivery. AMGA believes these include an emphasis on preventive care and wellness, plus chronic disease management programs and on-going patient outreach to improve the health of the populations served. In addition, high-performing health systems participate in continuous learning and conduct benchmarking on utilization rates and patient outcomes with other organizations. Further, high-performing health systems report on clinical outcomes at the group level and track care team performance internally.

AMGA strongly believes that meaningful educational offerings should be made available to help educate physicians and other health care providers concerning the benefits of quality measurement and improvement activities and that result in improved health care outcomes for Medicare beneficiaries. AMGA's Best Practices and Anceta data collaboratives provide two examples of the types of clinical improvement activities that need to be encouraged and rewarded.

With over a decade of experience in running shared learning collaboratives, AMGA knows how to engage physicians and the care teams in improving performance in quality and efficiency. Many of AMGA's collaboratives focus on specific chronic illnesses, such as hypertension, heart failure, diabetes, or chronic obstructive pulmonary disease. Medical groups that participate in learning collaboratives collect data on the same specific measures to create comparative data. This data is then shared among peers within the collaborative and the results are used to redesign care processes in order to improve outcomes for specific patient populations. These unique peer-to-peer learning environments offer experiences to medical group participants that lead to organizational changes which increase the quality and efficiency of care for a large number of patients.

High-performing health systems are built on a strong analytical foundation and share a culture of objective, data-driven decision-making. Some 25 AMGA members are participating in AMGA's Anceta collaborative, which helps members with the practical realities of transforming their delivery systems to manage population health and reduce overall cost. Anceta extends AMGA's model for shared learning through a partnership with Humedica, which integrates clinical and administrative data across the continuum of care and enables meaningful comparisons across medical groups. A clinic in the Midwest can track patients with type 2 diabetes, including prescribed medications and overall outcomes, and compare with cohorts of similar patients on either coast. This often reveals opportunities for substantial cost savings, such as using less expensive drugs to achieve comparable improvement in glycemic control. Humedica's clinically based predictive analytics can also identify patients at risk for an emergency department visit or hospital admission, enabling a group to focus its case management interventions where they can be highly effective.

AMGA member groups have demonstrated the value of quality measurement and clinical improvement activities, and believe that the data-driven, shared learning, collaborative approach should serve as the model for empowering physicians to develop and implement quality and efficiency measures. Some of our members might be willing to host educational sessions.

3. Measuring and Rewarding Performance

AMGA believes that high-performing health systems should assume shared financial responsibility and accountability for successfully managing the per-capita costs of their patient population(s), improving the overall patient experience, and improving the health of their patients. In this manner, risks and rewards will be more closely aligned and tied to organizational performance.

At the federal level, high-performing health systems that successfully meet certain criteria, which may be phased-in over time, would be rewarded. These systems would be provided with payment updates. However, systems that fail to meet the criteria would not be eligible for updates. Accordingly, this proposal could be implemented in a budget-neutral manner.

At the group level, we believe that high-performing health systems should use compensation structures that align incentives to physicians and licensed and certified medical professionals with improved health and outcomes of patient populations. Such practices could include patient experience surveys and quality and efficiency metrics, such as chronic disease measures, compliance with prevention strategies within a patient population, and cost of care measures.

While transparently reporting performance is a key attribute of a high-performing health system, AMGA believes that an appeals system is required to assure fairness and accuracy of reporting so that a system can request a re-determination related to the evaluation of certain performance and quality measures. This appeals process should not be unduly burdensome or costly for high-performing health systems as are certain federal review processes presently in use, like those connected to the Recovery Audit Contractor and the Administrative Law Judge processes. After all, most existing appeal processes require groups or individual physicians to re-validate hundreds of medical records and locate any errors that are then submitted to the appropriate governing body. A bright line – meaning clear, defined, and unambiguous technical specifications for performance measurement standards – which leaves little or no room for varying interpretation – is necessary. In the best interest of all parties, the bright line would need to be established early on – at the very beginning of the performance measurement and reporting program. The goal of the bright line would be to produce fair and accurate measurement and reporting results, which would ultimately reduce the number of appeals and simultaneously reduce the potential increased burden on practicing physicians.

For that reason, it is incredibly important for those being measured to be actively involved in the development of a quality and improvement system. AMGA finds some of the criteria included in the document entitled, "Patient Charter for Physician Performance Measurement, Reporting and Tiering Programs: Ensuring Transparency, Fairness and Independent Review"[1] to be valuable, particularly when it comes to medical professionals accessing and appealing performance rankings. This document calls for the active participation of those being measured. Specifically, the paper outlines the following general principles:

- Physicians and physician organizations should be solicited to provide input on the program;
- Physicians should be given reasonable prior notice before their individual performance information is publicly released;
- Establishment of a clearly defined process for physicians to request review of their own performance results and the opportunity to present information that supports what they believe to be inaccurate results (within a reasonable time frame) must be a component; and

[1] Consumer-Purchaser Disclosure Project: Improving Health Care Quality through Public Reporting of Performance. "Patient Charter for Physician Performance Measurement, Reporting and Tiering Programs: Ensuring Transparency, Fairness and Independent Review. April 1, 2008. www.healthcaredisclosure.org

- Results that are subsequently determined to be inaccurate after the reconsideration process should be corrected.

4. Reducing the reporting burden on physician practices

AMGA is pleased to learn that the Joint Committee SGR proposal seeks to reduce the reporting burden on physician practices and will allow for the streamlining of current quality reporting burdens. One example of a burdensome reporting mechanism currently in use is the Group Practice Reporting Option (GPRO) web-based tool utilized in the Physician Quality Reporting System. The GPRO requires medical group staff to perform extensive manual chart abstraction and confirmation of much of the data, which is costly and burdensome. This problem could be eliminated by moving to electronic measures (eMeasures), which are standardized performance measures in electronic format. eMeasures can promote greater consistency and confidence in measure development and in comparing performance results.

AMGA believes that the federal government should ultimately move toward the development of eMeasures that can be reported directly from a medical group's Electronic Health Record (EHR). We recognize that a Centers for Medicare and Medicaid Services (CMS) pilot program is underway to test this process, and we applaud such efforts. However, this reporting option must be disseminated more widely throughout the health care delivery system in order to spur necessary improvements in efficiency. High-performing health systems are more likely to have made investments in the systems necessary for reporting directly from their EHR, and we believe that the entire health care delivery system should be moving in this direction.

In order to create a more efficient reporting system and avoid duplication, high-performing health system should be rewarded for participating in robust state-wide or regional quality reporting initiatives. Examples of these innovative efforts include: the California Integrated Healthcare Association, the Minnesota Community Measurement, the Wisconsin Collaborative for Healthcare Quality, the Puget Sound Health Alliance, and the various Robert Wood Johnsons Aligning Forces efforts.

Multi-specialty medical groups and other organized systems of care that participate in such quality measurement and improvement activities have often already made the provision of high-quality, efficient, and patient-centered health care part of their mission as an organization, and have made the necessary investments to make this a reality. Examples of such investments include the use of information technology and evidence-based medicine, and processes and staff to coordinate the care of patients.

Conclusion

We believe that Congress can use the attributes we have outlined in our definition of the term, "high-performing health systems" to reward these systems for successfully managing the per capita cost of health care, improving the overall patient experience, and improving the health of its respective populations.

Developing this definition was not easy. Although not all AMGA members currently meet these criteria, we believe that all should aspire to make these goals a reality. It is our hope that the definition can be used in both the legislative and regulatory arenas, and will ultimately prove foundational to providing high-performing health systems with greater financial and regulatory predictability. But we would urge the Committees to be bold, and while transition periods are important, please act expeditiously. These changes being proposed can – and should - happen sooner than the traditional 10-year scoring window.

Thank you for your efforts to address the flawed SGR formula and for your careful consideration of my comments. Attached for your review, is a copy of the definition of high-performing health systems. As always, AMGA members and I stand ready to work with you on reform of the nation's Medicare program, especially those dealing with physician reimbursement issues.

Sincerely,

Donald W. Fisher, Ph.D.
President and CEO

Attachment