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April 18, 2014

The Honorable Ted Lieu

Chairman

Senate Business, Professions, and Economic Development Committee

State Capitol, Room 2053

Sacramento, CA 95814

Dear Senator Lieu:

On behalf of the Board of Directors of the American Medical Group Association (AMGA), I am writing to you concerning Senate Bill 1215 and the restrictions it places on providing certain advanced imaging services. AMGA is well-aware of the need to reign in healthcare costs; however, we respectfully ask that you to consider the potential damage that any proposal restricting the ability of multi-specialty medical groups and health systems to coordinate the care of their patients would do to the many innovative medical groups and health systems in California.

AMGA represents some of the country's largest, most prestigious integrated healthcare systems and multi-specialty medical groups. The more than 150,000 physicians practicing within AMGA's member groups deliver healthcare services to over 120 million patients across the country. More than 40 of AMGA's 435 member groups reside in the state of California and include leading organizations such as Sharp Rees-Steely in San Diego, Brown & Toland Physicians in San Francisco, Sutter Health in Sacramento, Southern California Permanente Medical Group, and the Permanente Federation.

Multi-specialty medical groups invest in sophisticated information technology, care management processes, and teams of providers to coordinate high quality care, while being respectful of limited resources. Prohibiting physicians practicing in multi-specialty medical groups from referring patients for advanced imaging services within their groups would have a devastating impact on some of this country's leading healthcare organizations, the patients they serve, and the integrated infrastructure that allows them to deliver better healthcare at lower costs. Instituting such restrictions runs counter to the current movement in healthcare delivery which is increasingly focused on greater integration and care coordination in our healthcare system.

Many multi-specialty medical groups utilize decision support tools to ensure that clinical decision-making is supported by evidence before ordering advanced imaging services. These groups have spent a great amount of time redesigning their internal processes, in collaboration with their group's radiologists, to ensure that such services are only furnished to patients when medically necessary. An effort to curb the unnecessary use of imaging services has also been made here in Washington, DC. Included in a bill signed into law on April 1 was the establishment of appropriate use criteria for advanced imaging services provided in the office. These criteria will assist in ensuring that imaging services are only utilized when medically necessary while still allowing medical groups to provide the coordinated care that facilitates higher outcomes for patients at a lower cost.

Patients who reside in rural or underserved areas would face additional hardship as a result of this proposal. If multi-specialty medical groups in these areas are prohibited from providing advanced imaging services within their four walls, patients will have to undergo the inconvenience of traveling much longer distances in order to receive necessary advanced imaging services. This delay could potentially result in missed diagnoses, or treatment of illnesses that if diagnosed earlier, would have better outcomes and be less costly to treat.

We appreciate the Statehouse's efforts to improve California's current fiscal condition, however; we hope that any legislation concerning advanced imaging services will preserve the ability of multi-specialty medical groups and health systems to provide those services for their patients.

Thank you for taking our comments into consideration. Our members and I stand ready to work with you on this important healthcare issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald W. Fisher". The signature is fluid and cursive, with a prominent initial "D" and "W".

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