



April 12, 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 thank you for your steadfast leadership and persistence in pursuing a solution to the flawed Medicare physician sustainable growth rate (SGR) formula. We greatly appreciate that fixing this has been the highest priority of your Committees and commend the hard work you and your staffs have dedicated 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 – Second Iteration."

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 large 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.

We are again concerned about the scheduled 25 percent reduction in Medicare physician reimbursement for the Calendar year 2014. While AMGA greatly appreciates temporary SGR reprieves, the 'start and stop' represented by the passage of those short-term SGR patches has not only impacted AMGA members, it has resulted in unreliable access for Medicare beneficiaries and financial hardship for the nation's entire medical community. AMGA members realize the challenges of fixing SGR, but a long-term or permanent solution is desperately needed to provide patients and medical groups with greater certainty and stability. A long-term solution would also reduce administrative costs – federal and private – that accumulate from the application of these short-term patches. Finally, a long-term solution would provide Congress with the opportunity to reform Medicare's reimbursement system to reward for quality and performance, thus measurably improving care for Medicare beneficiaries.

As we stated in earlier comments to the Joint Committees in response to the first iteration of the Medicare payment reform proposal, AMGA members have been in the forefront of providing

innovative, efficient health care that emphasizes care coordination, the use of information technology and evidence-based medicine, and a quality patient experience in order to achieve better outcomes at a lower cost. We are very encouraged to see that many of the quality measures and clinical improvement activities that AMGA members' have long employed and advocated for, such as patient experience, have been included in your proposal. We also appreciate the recognition of group practice found within the second iteration of the proposal.

Your proposal states that the overarching goal is "to reward providers for delivering high quality, efficient health care, whether in a fee for service (FFS) system or in an alternative payment model program." However, there is often confusion about what constitutes a high-performing health system and why these systems should be incentivized. We believe that a high-performing health system that should be incentivized in the fee for service (FFS) program and/or the new alternative payments models should be required to demonstrate the following activities:

- Efficient Provision of Services: The provider entity successfully manages the per capita cost of health care, and improves the overall patient care experience, and the health of their respective populations. Efficiency should not be rewarded where quality is absent.
- Organized System of Care: The provider entity provides a continuum of care, including prevention and ambulatory care, for a population of patients; is integrated or has partnerships with other care sites; includes physicians who are the principal leaders of all clinical programs and medical care and share responsibilities for the non-clinical aspects of governance, administration, and management; and assumes accountability for coordination across transitions in care.
- Quality Measurement and Improvement Activities: The provider entity conducts quality measurement and improvement activities across sites of care and between patient visits to improve the health and outcomes of populations, including:
 - Preventative care and chronic disease management, patient outreach programs, continuous learning and benchmarking, research to validate clinical processes and outcomes, external and transparent internal reporting, and patient experience surveys.
- Care Coordination: The provider entity uses a team-based approach that supports collaboration and communication among the patient, physician, and licensed or certified medical professionals. This activity shall include:
 - A single plan of care across settings and providers and shared decision making between the patient and health care provider.
- Use of Information Technology and Evidence-based Medicine: The provider entity meaningfully uses interoperable information technology, scientific evidence, and comparative analytics to aid in clinical decision making, improve patient safety, and aid in the prescribing of prescription drugs.

- Compensation Practices that Promote the Above-listed Objectives: Such compensation practices may include, but are not limited to, incentives that are affiliated with patient experience or quality metrics, such as chronic disease measures.
- Accountability: The provider entity assumes shared financial and regulatory responsibility and accountability for successfully managing the per capita cost of health care, improving the overall patient experience, and improving the health of their respective populations.

We believe that Congress can use the attributes outlined above for successfully managing health care costs, improving the overall patient experience, and improving the health of patient populations. Although all AMGA members do not meet this definition at the present time, we believe that these goals should become a reality, and would ultimately prove foundational to providing high-performing health systems with greater financial and regulatory predictability.

Thank you for your serious consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald W. Fisher".

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