



Sound Policy. Quality Care.

December 11, 2009

Honorable Harry Reid
Majority Leader
Washington, DC 20510

Honorable Max Baucus
Chairman, Senate Finance Committee
Washington, DC 20510

Honorable Chris Dodd
Washington, DC 20510

RE: Opposition to Sen. Warner's Amendment #3119

Dear Sen. Reid, Sen. Baucus, and Sen. Dodd:

As the Alliance of Specialty Medicine (Alliance), our mission is to advocate for sound federal health care policy that fosters patient access to the highest quality specialty care and improves timely access to high quality medical care for all Americans. As patient and physician advocates, the Alliance believes that true health reform should be enacted through a responsible and transparent process. As patient and physician advocates, the Alliance writes to express our opposition to Sen. Warner's amendment #3119 to HR 3590.

The Alliance of Specialty Medicine opposes this amendment because it further expands value-based programs without appropriate review and oversight (section section 3603 of the amendment), and further modifies underlying problematic provisions of the Independent Medicare Advisory Board (section 3610 of the amendment) and the Center for Medicare and Medicaid Innovation (section 3613 of the amendment).

Plans for a Value-Based Purchasing Program for Ambulatory Surgical Centers (Section 3603)

While the Center for Medicare and Medicaid Services (CMS) has been testing various models for value-based payment, CMS does not currently have the capability to implement such a plan for value-based purchasing among ambulatory surgical centers. CMS has no valid methodology that incorporates appropriate risk adjustment factors and outcome measures, given that CMS has not even begun to report on quality measures for ambulatory surgical centers let alone base payments off of such measures. While CMS has required quality measure reporting for other entities (such as physicians), CMS has no experience with requiring quality reporting for ambulatory surgical centers. As CMS has learned from the Physician Quality Reporting Initiative, it takes several years to develop fully validated quality measures relevant to specific providers. Furthermore, there are many reasons for geographic cost variation, including differences in population demographics that merit significantly more study before such a measure could be implemented. Therefore, this proposal would create yet more instability with an unrealistic and unachievable timeline. CMS should be allowed to fully test models for value-based payment and determine which system would achieve maximum benefit before the Agency is required to arbitrarily develop a plan for requiring a value-based purchasing program for ambulatory surgical centers.

Additional Changes Under the Center for Medicare and Medicaid Innovation (Sec. 3613)

While the Alliance appreciates the need for stronger innovation in developing new payment methodologies, we remain concerned with the underlying proposal to establish the Center for Medicare and Medicaid Innovation without additional oversight. Any new payment methodology should be thoroughly evaluated by Congress before being fully implemented, given the potential negative impacts on patient care. By requiring coordination with other payers, Sen. Warner’s amendment would likely result in a “one size fits all” approach to providing valuable health care services. Therefore, we strongly urge you not to relegate your oversight activities to a federal bureaucracy.

Independent Medicare Advisory Board (Section 3610)

As the Alliance has stated before, Congress should retain proper oversight of the process that determines how services are provided under Medicare and not relegate it to another entity. If the goal of a new Advisory Board is to find new ways to eliminate spending in the Medicare program, the end result may well be detrimental to patient care for our nation’s elderly. Already, Medicare reimbursement rates are well below market rates for similar services, and by requiring coordination with other payers (as outlined in Sen. Warner’s amendment), it will likely only get worse. And yet, the solution seems to be to further ratchet down the costs, without oversight, without care taken to ensure that our seniors receive the care that they deserve. Further, the construct of the Board seems to selectively exempt certain providers from its purview – placing more pressure to cut Medicare in those areas under its jurisdiction. There is no question we need to improve the Medicare program to make it sustainable well into the future. However, Medicare cannot be “fixed” when we do not look at the whole program, but rather, chop it up and force program savings into specific areas, such as provider reimbursement. We certainly understand and appreciate concerns with the rising costs of health care. But this is not the way approach this problem. If we go forward with this process, there will be myriad unintended consequences, including restricting access to important interventions and services for Medicare patients. You should not allow important health care decisions to be made with little clinical expertise, resources or oversight required to ensure that seniors are not placed in jeopardy.

As you further consider the “Patient Protection and Affordable Care Act,” we hope that you will take our comments and suggestions into account, as well as the unique role of specialty medicine.

Sincerely,

American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Gastroenterological Association
American Society of Cataract and Refractive Surgery
American Urological Association
Coalition of State Rheumatology Organizations
Congress of Neurological Surgeons
Heart Rhythm Society
National Association of Spine Specialists
Society for Cardiovascular Angiography and Interventions