

## DISCLAIMER

The following is a preliminary report of actions taken by the House of Delegates at its 2007 Annual Meeting and should not be considered final. Only the Official Proceedings of the House of Delegates reflect official policy of the Association.

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES (A-07)

Report of Reference Committee A

Virginia E. Hall, MD, Chair

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1 In keeping with Resolution 601 (A-96), the Reference Committee recommends the  
2 following consent calendar for acceptance:

3  
4 **RECOMMENDED FOR ADOPTION**

- 5  
6 1. Council on Medical Service Report 2 – Maximum Allowable Cost of Prescription  
7 Medications  
8  
9 2. Council on Medical Service Report 3 – Financial Impact of Immigration on the  
10 American Health System  
11  
12 3. Resolution 109 - Definition of "Usual, Customary and Reasonable" (UCR)  
13  
14 4. Resolution 114 - Children's Rights to Receive Health Care Services Under the  
15 Medicaid Act  
16  
17 5. Resolution 118 – Expanding Enrollment for the State Children's Health Insurance  
18 Program  
19  
20 6. Resolution 120 - Exclusion of Homeless Children from Deficit Reduction Act  
21 Documentation Requirements  
22  
23 7. Resolution 127 - Transparency of Employer Sponsored Health Insurance  
24  
25 8. Resolution 134 - AMA Support for Revision of the CMS 75% Rule - Rehabilitation  
26 Classification Criteria  
27  
28 9. Resolution 137 - Reduced Physician Role in Governance of Federally Contracted  
29 Quality Improvement Organizations  
30  
31 10. Resolution 138 - Payment Terminology  
32  
33 11. Resolution 140 – Criminalization of Providing Health Care to Undocumented  
34 Residents

**RECOMMENDED FOR ADOPTION WITH CHANGE IN TITLE**

- 1  
2  
3 12. Resolution 107 - Three-Tier Formulary System  
4

**RECOMMENDED FOR ADOPTION AS AMENDED OR SUBSTITUTED**

- 5  
6  
7 13. Council on Medical Service Report 1 – No Child Left Uninsured (Resolution 113,  
8 A-06)  
9 in lieu of  
10 Resolution 129 – Full Funding of the State Children’s Health Insurance Program  
11 Reauthorization  
12

- 13 14. Council on Medical Service Report 7 – Adequacy of Health Insurance Coverage  
14 Options  
15 in lieu of  
16 Resolution 126 – Standard Health Care Benefit  
17

- 18 15. Resolution 101 - Physician Reimbursement for Time Spent Discussing Advance  
19 Directives  
20

- 21 16. Resolution 103 – Health Care Access for Medicaid Patients  
22

- 23 17. Resolution 105 – Inappropriate Changes to Physician Medicare Participation  
24 Status by the Centers for Medicare & Medicaid Services  
25

- 26 18. Resolution 106 – Restoring High Quality Care to the Medicare Part D  
27 Prescription Drug Program  
28

- 29 19. Resolution 117 – Improved Coverage Options for the State Children’s Health  
30 Insurance Program (SCHIP)  
31

- 32 20. Resolution 119 – State Children’s Health Insurance Program Reauthorization  
33

- 34 21. Resolution 121 – Prescription Co-Pay Relief  
35

- 36 22. Resolution 124 – Reforming the Voting Representation of the Relative Value  
37 Scale Update Committee to Reflect the Composition of the Physician Workforce  
38 and Work with Committee to Improve Primary Care Reimbursement  
39

- 40 23. Resolution 130 – Medicare Part D Modifications  
41

- 42 24. Resolution 132 - Notification, Precertification, and Appeals for Medications and  
43 Imaging Studies  
44

**RECOMMENDED FOR REFERRAL**

- 45  
46  
47 25. Council on Medical Service Report 10 – Strategies to Strengthen the Medicare  
48 Program

1 26. Resolution 104 - Using Both Tax Deductions and Tax Credits to Strengthen the  
2 Market for Individually Owned Health Insurance

3

4 27. Resolution 136 - Principles for Health System Reform at State Level

5 **RECOMMENDED FOR REFERRAL FOR DECISION**

6

7 28. Resolution 115 – Assessing the Health Care Proposals of the US Presidential  
8 Candidates

9 Resolution 139 – Assessing the Health Care Proposals of the US Presidential  
10 Candidates

11

12 29. Resolution 142 - Demonstration Project Regarding Medicare Part D

13

14 **RECOMMENDED FOR NOT ADOPTION**

15

16 30. Resolution 133 - Universal Access to Health Insurance

17

18 **RECOMMENDED FOR REAFFIRMATION IN LIEU OF**

19

20 31. Resolution 125 - Elimination Of Medical Specialty As A Criterion For Medicare  
21 Reimbursement For Performing Diagnostic Tests In Independent Diagnostic  
22 Testing Facilities

23

24 32. Resolution 141 - Physician Tax Credits for Indigent Care

1 (1) COUNCIL ON MEDICAL SERVICE REPORT 2 –  
2 MAXIMUM ALLOWABLE COST OF PRESCRIPTION  
3 MEDICATIONS  
4

5 RECOMMENDATION:  
6

7 Madam Speaker, your Reference Committee recommends  
8 that the Recommendation contained in Council on Medical  
9 Service Report 2 be adopted and that the remainder of the  
10 report be filed.

11  
12 **HOD ACTION: Council on Medical Service Report 2**  
13 **adopted and remainder of the report filed.**  
14

15 Council on Medical Service Report 2 recommends that the AMA oppose the use of price  
16 controls in any segment of the health care industry, and continue to promote market-  
17 based strategies to achieve access to and affordability of health care goods and  
18 services.  
19

20 Testimony was supportive of Council on Medical Service Report 2, which your  
21 Reference Committee believes thoughtfully captures an overall strategy for leveraging  
22 market forces rather than price controls. Therefore, your Reference Committee  
23 recommends adoption.  
24

25 (2) COUNCIL ON MEDICAL SERVICE REPORT 3 –  
26 FINANCIAL IMPACT OF IMMIGRATION ON THE  
27 AMERICAN HEALTH SYSTEM  
28

29 RECOMMENDATION:  
30

31 Madam Speaker, your Reference Committee recommends  
32 that the Recommendation contained in Council on Medical  
33 Service Report 3 be adopted and that the remainder of the  
34 report be filed.  
35

36 **HOD ACTION: Council on Medical Service Report 3**  
37 **adopted and remainder of the report filed.**  
38

39 Council on Medical Service Report 3 responds to the referral of Resolution 235 (A-06),  
40 which calls for the AMA to “ask the US Department of State to include on applications for  
41 visas to the US, a requirement mandating that visitors carry adequate health insurance  
42 valid during their stay in the US.” The report highlights concerns with Resolution 235 and  
43 recommends that the AMA support legislative and regulatory changes to require the  
44 federal government to make reasonable payments to physicians for the federally  
45 mandated care they provide to patients, regardless of the immigration status of the  
46 patient.  
47

48 The sponsor of Resolution 235 (A-06) testified that the report failed to consider the  
49 requested action of mandating coverage for visitors to the US. The Council on Medical  
50 Service testified that it had considered the requested action, and enumerated the  
51 Council’s reasons for concluding that mandating coverage for US visitors potentially

1 would be inappropriate and counterproductive. The Council testified that its  
2 recommendation addresses the essential issue of payment for physicians regardless of  
3 the immigration status of the patient.

4  
5 Your Reference Committee concurs with the Council and supports adoption of the  
6 recommendation contained in this report.

7  
8 (3) RESOLUTION 109 - DEFINITION OF "USUAL,  
9 CUSTOMARY AND REASONABLE" (UCR)

10  
11 RECOMMENDATION:

12  
13 Madam Speaker, your Reference Committee recommends  
14 that Resolution 109 be adopted.

15  
16 **HOD ACTION: Resolution 109 adopted.**

17  
18 Resolution 109 asks that our AMA adopt as policy the following definitions: (1) "usual"  
19 fee to mean that fee usually charged, for a given service, by an individual physician to  
20 his private patient (i.e., his own usual fee); (2) a fee is "customary" when it is within the  
21 range of usual fees currently charged by physicians of similar training and experience,  
22 for the same service within the same specific and limited geographical area; and (3) a  
23 fee is "reasonable" when it meets the above two criteria and is justifiable, considering the  
24 special circumstances of the particular case in question, without regard to payments that  
25 have been discounted under governmental or private plans.

26  
27 Testimony on Resolution 109 was very limited and supportive. Your Reference  
28 Committee appreciates the proposed definition of UCR and concurs with its adoption as  
29 AMA policy.

30  
31 (4) RESOLUTION 114 - CHILDREN'S RIGHTS TO RECEIVE  
32 HEALTH CARE SERVICES UNDER THE MEDICAID ACT

33  
34 RECOMMENDATION:

35  
36 Madam Speaker, your Reference Committee recommends  
37 that Resolution 114 be adopted.

38  
39 **HOD ACTION: Resolution 114 adopted.**

40  
41 Resolution 114 asks that our AMA take all reasonable steps to introduce and pass  
42 legislation which would: (1) confirm, clarify and codify Congressional intent that  
43 Medicaid-eligible children have an enforceable right to receive Early Periodic Screening,  
44 Diagnosis, and Treatment (EPSDT) services and a right to enforce the equal access  
45 provision; and (2) overturn the reasoning applied by the United States Court of Appeals  
46 for the Tenth Circuit in Oklahoma Chapter of the American Academy of Pediatrics v.  
47 Fogarty.

48  
49 Testimony on Resolution 114 was very limited and supportive. Your Reference  
50 Committee concurs with the concerns raised in Resolution 114 and supports adoption.

1  
2 (5) RESOLUTION 118 - EXPANDING ENROLLMENT FOR  
3 THE STATE CHILDREN'S HEALTH INSURANCE  
4 PROGRAM (SCHIP)

5  
6 RECOMMENDATION:

7  
8 Madam Speaker, your Reference Committee recommends  
9 that Resolution 118 be adopted.

10  
11 **HOD ACTION: Resolution 118 adopted.**

12  
13 Resolution 118 asks that our AMA: (1) strongly support the State Children's Health  
14 Insurance Program (SCHIP) reauthorization and lobby toward this end; (2) lobby  
15 Congress to provide performance-based financial assistance for new coverage costs  
16 with expanded coverage of uninsured children through SCHIP through an enhanced  
17 federal match; (3) urge Congress to provide targeted funding for SCHIP enrollment  
18 outreach; and (4) support the use of enrollment information for participation in the  
19 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and/or  
20 the federal school lunch assistance program as documentation for SCHIP eligibility in  
21 order to allow families to avoid duplication and the cumbersome process of re-  
22 documenting income for child health coverage.

23  
24 Supportive testimony was heard on Resolution 118. The sponsors clarified that the  
25 meaning and intent of "performance based financial assistance" is to ensure that states  
26 receive specific funding to target enrollment of eligible children which in turn provides  
27 financing to ensure that physicians receive adequate payment. Testimony stressed the  
28 importance in targeted funding for SCHIP enrollment outreach and the ability to  
29 coordinate enrollment information with other public programs. Given the overwhelming  
30 support, your Reference Committee recommends adoption.

31  
32 (6) RESOLUTION 120 - EXCLUSION OF HOMELESS  
33 CHILDREN FROM DEFICIT REDUCTION ACT  
34 DOCUMENTATION REQUIREMENTS

35  
36 RECOMMENDATION:

37  
38 Madam Speaker, your Reference Committee recommends  
39 that Resolution 120 be adopted.

40  
41 **HOD ACTION: Resolution 120 adopted.**

42  
43 Resolution 120 asks that our AMA advocate for exclusion of homeless infants, children,  
44 adolescents, and young adults from the requirements of the Deficit Reduction Act that  
45 they document their citizenship and identification under Section 6036 of the Deficit  
46 Reduction Act of 2005, "Improved Enforcement of Documentation Requirements."

47  
48 Your Reference Committee heard limited and supportive testimony on Resolution 120,  
49 and urges adoption.

1 (7) RESOLUTION 127 - TRANSPARENCY OF EMPLOYER  
2 SPONSORED HEALTH INSURANCE  
3

4 RECOMMENDATION:  
5

6 Madam Speaker, your Reference Committee recommends  
7 that Resolution 127 be adopted.  
8

9 **HOD ACTION: Resolution 127 adopted.**

10 Resolution 127 asks that our AMA encourage employers to inform employees as  
11 frequently as possible, preferably with each payment period (pay stub) but at least  
12 annually, of the total cost of health insurance benefits paid on their behalf by the  
13 employer in the form of health insurance premiums, direct payments for services and  
14 deposits into health savings accounts.  
15

16 Testimony on Resolution 127 was very limited and supportive. Your Reference  
17 Committee supports adoption.  
18

19 (8) RESOLUTION 134 - AMA SUPPORT FOR REVISION OF  
20 THE CMS 75% RULE - REHABILITATION  
21 CLASSIFICATION CRITERIA  
22

23 RECOMMENDATION:  
24

25 Madam Speaker, your Reference Committee recommends  
26 that Resolution 134 be adopted.  
27

28 **HOD ACTION: Resolution 134 adopted.**

29 Resolution 134 asks that our AMA modify Policy D-330.957 to read as follows:  
30

31 D-330.957 AMA Support for Revision of the CMS 75% Rule - Rehabilitation  
32 Classification Criteria  
33

34 Our AMA will: (1) in its lobbying efforts, work to ensure continued access to medically  
35 necessary and appropriate inpatient rehabilitation services for all Medicare beneficiaries;  
36 (2) ~~promptly convey strong opposition to proposed rule 42 CFR Part 412 to officials from~~  
37 ~~the Centers for Medicare and Medicaid Services, the Secretary of Health and Human~~  
38 ~~Services, and the US Congress and support the establishment of a panel of expert~~  
39 ~~rehabilitation professionals to establish new criteria such as the inpatient rehabilitation~~  
40 ~~facilities – prospective payments systems (IRF-PPS) categories;~~  
41 facilities – prospective payments systems (IRF-PPS) categories;

42 (3) ~~actively oppose the Centers for Medicare and Medicaid Services proposed further~~  
43 ~~implementation of rule 42 CFR Part 412 or any similar rule in a manner that would~~  
44 ~~seriously decrease the availability of medically necessary rehabilitation services causing~~  
45 ~~irreparable harm to many Medicare beneficiaries; and~~

46 (4) request that Congress freeze the 75% Rule criterion at the 60% level; provide a  
47 moratorium on new Medicare rehabilitation programs; and freeze enforcement of the  
48 75% rule for non-compliant facilities until a better regulation is created by CMS in  
49 consultation with a national commission of clinical experts; and while research on  
50 medical rehabilitation in IRFs is and other post-acute settings is complete; and

1 (5) request that Congress, for cost reporting periods beginning on or after July 1, 2008,  
2 to include patients with comorbidity in the inpatient population that counts towards such  
3 60% compliance rate; and

4 (6) request that the Centers for Medicare and Medicaid Services and Medicare fiscal  
5 intermediaries, Medicare administrative contractors, recovery audit contractors, and  
6 other government agents use and apply the criteria established in HCFA Ruling 85-2, as  
7 issued on July 31, 1985, as the sole standard for determining the medical necessity of  
8 services provided by inpatient rehabilitation hospitals and units to Medicare  
9 beneficiaries; and

10  
11 (4) (7) advocate for immediate withdrawal by Medicare fiscal intermediaries of their  
12 current and proposed inpatient rehabilitation local medical review policies and  
13 discontinue further action in this regard until an independent panel of national clinical  
14 experts on inpatient rehabilitative care is convened and fully examines the issues  
15 associated with medical necessity criteria.

16  
17 Testimony was very limited and supportive. Your Reference Committee concurs with  
18 the proposed modification of policy and supports adoption of Resolution 134.

19  
20 (9) RESOLUTION 137 - REDUCED PHYSICIAN ROLE IN  
21 GOVERNANCE OF FEDERALLY CONTRACTED  
22 QUALITY IMPROVEMENT ORGANIZATIONS

23  
24 RECOMMENDATION:

25  
26 Madam Speaker, your Reference Committee recommends  
27 that Resolution 137 be adopted.

28  
29 **HOD ACTION: Resolution 137 adopted.**

30  
31 Resolution 137 asks that our AMA support the concept of improving diversity of  
32 representation on the governing bodies of Quality Improvement Organizations via the  
33 inclusion of non-physician professionals and consumers, but that our AMA express deep  
34 concern and forcefully advocate against any guidelines that would seek to link federal  
35 contracting with Quality Improvement Organizations with having the governing bodies of  
36 these organizations comprised of a majority of non-physicians, as being antithetical to  
37 the fundamental principles of physician peer review and evidence based quality  
38 improvement.

39  
40 Testimony was limited and strongly supportive of Resolution 137. Your Reference  
41 Committee concurs with the need for physicians to have a primary role in the  
42 governance of Quality Improvement Organizations, and therefore supports adoption.

43  
44 (10) RESOLUTION 138 - PAYMENT TERMINOLOGY

45  
46 RECOMMENDATION:

47  
48 Madam Speaker, your Reference Committee recommends  
49 that Resolution 138 be adopted.

1                   **HOD ACTION: Resolution 138 adopted.**

2  
3 Resolution 138 asks that our AMA adopt a policy to change the terminology used in  
4 compensating physicians from “reimbursement” to “payment.”

5  
6 Testimony on Resolution 138 was limited and supportive, with delegations other than the  
7 sponsor indicating that their states have adopted similar policy. Your Reference  
8 Committee agrees that the term “payment” is more accurate than “reimbursement” with  
9 respect to physician services.

10  
11 (11) RESOLUTION 140 - CRIMINALIZATION OF PROVIDING  
12 HEALTH CARE TO UNDOCUMENTED RESIDENTS

13  
14 RECOMMENDATION:

15  
16 Madam Speaker, your Reference Committee recommends  
17 that Resolution 140 be adopted.

18  
19                   **HOD ACTION: Resolution 140 adopted.**

20  
21 Resolution 140 asks that our AMA reaffirm AMA Policy H-440.876; work with local and  
22 state medical societies to immediately, actively and publicly oppose any legislative  
23 proposals that would criminalize the provision of healthcare to undocumented residents  
24 and report back on this issue at A-08; and oppose proof of citizenship as a condition of  
25 providing healthcare.

26  
27 Your Reference Committee heard considerable support in favor of Resolution 140 and  
28 agrees that it should be adopted.

29  
30 (12) RESOLUTION 107 - THREE-TIER FORMULARY  
31 SYSTEM

32  
33 RECOMMENDATION A:

34  
35 Madam Speaker, your Reference Committee recommends  
36 that Resolution 107 be adopted.

37  
38 RECOMMENDATION B:

39  
40 Madam Speaker, your Reference Committee recommends  
41 that the title of Resolution 107 be changed to read as  
42 follows:

43  
44 PRESCRIPTION COST TRANSPARENCY

45  
46                   **HOD ACTION: Resolution 107 adopted with a change in**  
47 **title.**

1 Resolution 107 that our AMA pursue legislation requiring pharmacies to inform patients  
2 of the actual cash price as well as the formulary price of any medication prior to the  
3 purchase of the medication.

4  
5 Your Reference Committee heard limited and supportive testimony on Resolution 107,  
6 with the recommendation for a title change. Your Reference Committee believes the  
7 proposed title change more accurately describes the scope of Resolution 107.

8  
9 (13) COUNCIL ON MEDICAL SERVICE REPORT 1 – NO  
10 CHILD LEFT UNINSURED

11  
12 RESOLUTION 129 - FULL FUNDING OF THE STATE  
13 CHILDREN'S HEALTH INSURANCE PROGRAM  
14 REAUTHORIZATION

15  
16 RECOMMENDATION A:

17  
18 Madam Speaker, your Reference Committee recommends  
19 that Recommendation 1 of Council on Medical Service  
20 Report 1 be amended by insertion to read as follows:

21  
22 That our American Medical Association continue to support  
23 health insurance coverage of all children as a strategic  
24 priority. (Directive to Take Action)

25  
26 RECOMMENDATION B:

27  
28 Madam Speaker, your Reference Committee recommends  
29 the recommendations contained in Council on Medical  
30 Service Report 1 be adopted as amended in lieu of  
31 Resolution 129 and that the remainder of the report be  
32 filed.

33  
34 **HOD ACTION: Council on Medical Service Report 1**  
35 **adopted as amended in lieu of Resolution 129 and**  
36 **remainder of the report filed.**

37  
38 Council on Medical Service Report 1 recommends that the AMA: (1) continue to support  
39 health insurance coverage of children as a priority; (2) continue to support efforts to  
40 expand coverage to uninsured children who are eligible for the State Children's Health  
41 Insurance Program (SCHIP) and Medicaid through improved and streamlined enrollment  
42 mechanisms; and (3) continue to support the reauthorization of SCHIP in 2007.

43  
44 Resolution 129 asks that our AMA strongly support and advocate for full federal funding  
45 of the State Children's Health Insurance Program (SCHIP) reauthorization at a level of at  
46 least \$60 billion. This amount will ensure that children currently enrolled in SCHIP do not  
47 lose coverage, and that children currently eligible but not yet enrolled can be covered as  
48 well, thus improving access to care for the children of every state.

1 Testimony was heard on Council on Medical Services Report 1 commending the  
2 excellent synthesis of information and voicing strong support for SCHIP reauthorization.  
3 Suggested amendments to Recommendation 1 included adding “all” in front of children  
4 to be more inclusive and “strategic” in front of priority to demonstrate the importance of  
5 SCHIP in the AMA’s strategic priorities.  
6

7 There was disagreement whether to lobby for a dollar amount in the reauthorization  
8 process to ensure adequate future funding of the program as asked for in Resolution  
9 129. Your Reference Committee seriously considered the merits of including a specific  
10 dollar amount in response to disputed testimony on this point. The debate highlighted  
11 recent contradictory data on the specific dollar amount that is needed and convincing  
12 testimony cautioned against getting into the funding details. Your Reference Committee  
13 agrees with maintaining broad support for reauthorization and not lobbying for a specific  
14 dollar amount so that the AMA is not limited in efforts to support the reauthorization of  
15 this important program. Therefore, your Reference Committee recommends adoption of  
16 CMS Report 1 with suggested minor amendments to Recommendation 1 in lieu of  
17 Resolution 129.  
18

19 (14) COUNCIL ON MEDICAL SERVICE REPORT 7 -  
20 ADEQUACY OF HEALTH INSURANCE COVERAGE  
21 OPTIONS  
22

23 RESOLUTION 126 – STANDARD HEALTH CARE  
24 BENEFIT  
25

26 RECOMMENDATION A:  
27

28 Madam Speaker, your Reference Committee recommends  
29 that recommendation (a) in Council on Medical Service  
30 Report 7 be amended by insertion to read as follows:  
31

32 (a) any insurance pool or similar structure designed to  
33 enable access to age-appropriate health insurance  
34 coverage must include a wide variety of coverage options  
35 from which to choose; (New HOD Policy)  
36

37 RECOMMENDATION B:  
38

39 Madam Speaker, your Reference Committee recommends  
40 that Council on Medical Service Report 7 be adopted as  
41 amended in lieu of Resolution 126, and that the remainder  
42 of the Report be filed.  
43

44 **HOD ACTION: Council on Medical Service Report 7**  
45 **adopted as amended in lieu of Resolution 126, and**  
46 **remainder of the Report filed.**  
47

48 Council on Medical Service Report 7 recommends that the AMA support the following  
49 principles to guide in the evaluation of the adequacy of health insurance coverage  
50 options: (a) any insurance pool or similar structure designed to enable access to health

1 insurance coverage must include a wide variety of coverage options from which to  
2 choose; (b) existing federal guidelines regarding types of health insurance coverage  
3 (e.g., Title 26 of the US Tax Code and Federal Employees Health Benefits Program  
4 [FEHBP] regulations) should be used as a reference when considering if a given plan  
5 would provide meaningful coverage; and (c) provisions must be made to assist  
6 individuals with low-incomes or unusually high medical costs in obtaining health  
7 insurance coverage and meeting cost-sharing obligations; and (d) mechanisms must be  
8 in place to educate patients and assist them in making informed choices, including  
9 ensuring transparency among all health plans regarding covered services, cost-sharing  
10 obligations, out-of-pocket limits and lifetime benefit caps, and excluded services.

11  
12 Resolution 126 asks that (1) our AMA or a consortium led by the AMA, develop models  
13 of benefit packages that could serve as templates to guide insurers in designing health  
14 care benefits; and (2) that our AMA support the development in principle of a range of  
15 standard health care benefit packages that are evidence-based, including preventive  
16 services and appropriate emergency services.

17  
18 Your Reference Committee heard strong support for Council on Medical Service Report  
19 7. Concerns were raised that the Federal Tax Code lacked the targeted  
20 recommendations that would describe the most basic benefits and supported more  
21 specific definitions of adequate benefits. The Council on Medical Service noted the  
22 difficulty of strictly defining an adequate benefits package and emphasized the  
23 importance of limiting benefit mandates. While some felt that Council on Medical  
24 Service Report 7 should have at a minimum, required catastrophic protection, your  
25 Reference Committee notes that most, if not all FEHBP plans require catastrophic  
26 protection. Testimony urged the inclusion of pediatric services including the range of  
27 preventive services as a primary principle. The Council noted that the approach of the  
28 report is broad and would encompass coverage for children to the extent that such  
29 services are covered under the provisions under the Internal Revenue Code and the  
30 FEHBP. Your Reference Committee determined that the intent of the report was broad,  
31 however the insertion of the phrase “age appropriate” would further clarify this intent.

32  
33 Your Reference Committee considered the intent of Resolution 126. Testimony  
34 regarding Resolution 126 was mixed. Those supporting Resolution 126 felt that the  
35 AMA should collate existing ideas regarding benefit packages. Those opposing  
36 Resolution 126 felt that the development of Council on Medical Service Report 7  
37 considered principles that provide a level of guidance to evaluate whether “adequate”  
38 provisions are being made for health insurance options. In addition, your Reference  
39 Committee heard testimony that supported pluralistic market choices and urged  
40 consistency with long-standing AMA policies. As Council on Medical Service Report 7  
41 received strong support, your Reference Committee recommends that Council on  
42 Medical Service Report 7 be adopted as amended in lieu of Resolution 126.

1 (15) RESOLUTION 101 - PHYSICIAN REIMBURSEMENT FOR  
2 TIME SPENT DISCUSSING ADVANCE DIRECTIVES

3  
4 RECOMMENDATION A:

5  
6 Madam Speaker, your Reference Committee recommends  
7 that Policy H-390.916 be amended by insertion and  
8 deletion to read as follows:

9  
10 H-390.916 Payment for Patient Conferences Medicare  
11 Reimbursement for Physician Office Visits Regarding  
12 Advance Directives

13  
14 Our American Medical Association encourages payment  
15 CMS to provide Medicare reimbursement for medical  
16 conferences with patients and/or relatives and guardians  
17 regarding medical management and future medical  
18 management, particularly as it relates to the discussion of  
19 advance directives (i.e., living wills and durable powers of  
20 attorney for health care).

21  
22 RECOMMENDATION B:

23  
24 Madam Speaker, your Reference Committee recommends  
25 that Policy H-390.916 be adopted as amended in lieu of  
26 Resolution 101.

27  
28 **HOD ACTION: Policy H-390.916 adopted as amended in**  
29 **lieu of Resolution 101.**

30  
31 Resolution 101 asks that our AMA support policies and legislation mandating physician  
32 reimbursement for time spent discussing advance directives with patients.  
33 Limited but supportive testimony was offered on this resolution. Resolution 101 is  
34 similar to Policy H-390.916, however the Resolution 101 is inclusive of non-Medicare  
35 payers as well. Therefore, your Reference Committee recommends that policy H-  
36 390.916 be amended by insertion and deletion to address the broader concerns of  
37 Resolution 101.

38  
39 (16) RESOLUTION 103 - HEALTH CARE ACCESS FOR  
40 MEDICAID PATIENTS

41  
42 RECOMMENDATION A:

43  
44 Madam Speaker, your Reference Committee recommends  
45 that Resolution 103 be amended by insertion and deletion  
46 to read as follows:

1 RESOLVED, That to increase and maintain access to  
2 health care for all, it shall be the policy of our American  
3 Medical Association that ~~reimbursement~~ payment for  
4 physician providers for Medicaid, TRICARE, and any other  
5 publicly ~~offered~~ funded insurance plan must be at a  
6 minimum ~~be equal to the current~~ 100% of the RBRVS  
7 Medicare allowable. (New HOD Policy)  
8

9 RECOMMENDATION B:

10  
11 Madam Speaker, your Reference Committee recommends  
12 that Resolution 103 be adopted as amended.  
13

14 **HOD ACTION: Resolution 103 adopted as amended.**  
15

16 Mixed testimony was heard on Resolution 103. Debate questioned whether asking for  
17 reimbursement to be at least equal to Medicare would inadvertently endorse a payment  
18 system that is not supported by the AMA. Proponents of the resolution argued that the  
19 lower payment rates by Medicaid result in an access issue that needs to be alleviated.  
20 Your Reference Committee notes that existing policy (H-290.976) advocates for  
21 reasonable SCHIP and Medicaid payment for its medical providers, defined as at  
22 minimum 100% of RBRVS Medicare allowable, and recommends an amendment to  
23 reflect this policy. Further, changing the term “offered” to “funded” is suggested.  
24

25 (17) RESOLUTION 105 - INAPPROPRIATE CHANGES TO  
26 PHYSICIAN MEDICARE PARTICIPATION STATUS BY  
27 THE CENTERS FOR MEDICARE & MEDICAID  
28 SERVICES  
29

30 RECOMMENDATION A:

31  
32 Madam Speaker, your Reference Committee recommends  
33 Resolution 105 be amended by insertion on lines 8, 14,  
34 and 19 to read as follows:

1 RESOLVED, That our American Medical Association work,  
2 when necessary, with the Centers for Medicare & Medicaid  
3 Services (CMS) to return physicians to their self-  
4 designated Medicare non-participation status in those  
5 cases where CMS changed physicians from “non-  
6 participating” to “participating” status without the  
7 physicians’ request or permission (Directive to Take  
8 Action); and be it further

9  
10 RESOLVED, That our AMA work with CMS, when  
11 necessary, to have the agency provide written  
12 documentation of the erroneous change in the physicians’  
13 Medicare participation status thereby allowing those  
14 affected physicians to prove that they had no part in the  
15 appearance of fraudulent activity resulting from the  
16 erroneous CMS action (Directive to Take Action); and be it  
17 further

18  
19 RESOLVED, That our AMA work with CMS, when  
20 necessary, to have the agency provide written  
21 documentation of the erroneous change in the physicians’  
22 Medicare participation status thereby allowing those  
23 affected physicians to prove their innocence to their  
24 patients and to all of the Medigap providers whose  
25 erroneous explanation of medical benefits forms now imply  
26 wrongdoing by these non-participating physicians.  
27 (Directive to Take Action)

28  
29 RECOMMENDATION B:

30  
31 Madam Speaker, your Reference Committee recommends  
32 that Resolution 105 be adopted as amended.

33  
34 **HOD ACTION: Resolution 105 adopted as amended.**

35  
36 Supportive testimony was offered on Resolution 105. The sponsor of the resolution  
37 suggested that the resolves of the resolution be modified to include that the AMA work  
38 with CMS when necessary to support physicians when inappropriate changes have been  
39 made to their participation status in the Medicare program. Your Reference Committee  
40 supports the intent of the resolution and recommends amended language to indicate that  
41 the AMA will work with physicians when necessary.

1 (18) RESOLUTION 106 - RESTORING HIGH QUALITY CARE  
2 TO THE MEDICARE PART D PRESCRIPTION DRUG  
3 PROGRAM  
4

5 RECOMMENDATION A:  
6

7 Madam Speaker, your Reference Committee recommends  
8 that the third Resolved of Resolution 106 be amended by  
9 insertion and deletion on page 2, line 19 to read as  
10 follows:  
11

12 RESOLVED, That our AMA work with CMS to ~~eliminate~~  
13 ~~punitive~~ place reasonable copays in the Medicare Part D  
14 Prescription Drug Program. (Directive to Take Action)  
15

16 RECOMMENDATION B:  
17

18 Madam Speaker, your Reference Committee recommends  
19 that the fourth Resolve of Resolution 106 be amended by  
20 substitution.  
21

22 RESOLVED, That our AMA work with other interested  
23 parties to simplify the Centers for Medicare and Medicaid  
24 Services (CMS) prior authorization process such that a  
25 diagnosis or reason written on the prescription should be  
26 accepted as documentation for non formulary request.  
27

28 RECOMMENDATION C:  
29

30 Madam Speaker, your Reference Committee recommends  
31 that Resolution 106 be adopted as amended.  
32

33 RESOLVED, That our AMA work with other interested parties to simplify the  
34 Centers for Medicare and Medicaid Services (CMS) prior authorization process  
35 such that a diagnosis or reason written on the prescription should be accepted as  
36 documentation for non formulary request.  
37

38 **HOD ACTION: Resolution 106 adopted as amended with**  
39 **addition of a fourth Resolved.**  
40

41 Resolution 106 asks that our AMA: (1) work to eliminate prior authorizations under the  
42 Medicare Part D Prescription Drug Program which undermine a physician's best medical  
43 (2) work with the Centers for Medicare and Medicaid Services (CMS) to enforce the  
44 Medicare Part D Prescription Drug Program statutory requirement that all Part D plans  
45 include at least two drugs proven to be equally effective in each therapeutic category or  
46 pharmacologic class, if available, to be used by the physician in deciding the best  
47 treatment options for their patients; (3) work with CMS to eliminate punitive copays in the  
48 Medicare Part D Prescription Drug Program (Directive to Take Action); (4) actively seek  
49 implementation by CMS of a requirement in the Medicare Part D Prescription Drug  
50 Program that coverage denials must be made by a physician licensed in the state of

1 domicile of the patient for whom the prescription originated; and (5) work with CMS to  
2 develop a one-page form for physicians and patients to utilize in appealing a prescription  
3 coverage denial.

4  
5 Testimony on Resolution 106 was generally supportive as many felt that the actions  
6 requested would help to minimize administrative burdens on prescribing physicians.  
7 Testimony raised concerns that the term “punitive” in the third resolve, line 19 was  
8 unclear and recommended that the wording be revised to indicate that our AMA should  
9 work with CMS to “place reasonable” copays in the Medicare Part D Prescription Drug  
10 Program. Concerns were also raised about the fourth resolved as the cost to the system  
11 would be too high, especially if denials were limited to the state of domicile of the patient.  
12 For this reason, your Reference Committee recommends that the language in the fourth  
13 resolve be deleted and Resolution 106 be adopted as amended.

14  
15 (19) RESOLUTION 117 - IMPROVED COVERAGE OPTIONS  
16 FOR THE STATE CHILDREN'S HEALTH INSURANCE  
17 PROGRAM (SCHIP)

18  
19 RECOMMENDATION A:

20  
21 Madam Speaker, your Reference Committee recommends  
22 that the fourth resolve of Resolution 117, be amended by  
23 insertion to read as follows:

24  
25 RESOLVED, That our AMA lobby Congress to allow states  
26 the flexibility to cover all eligible children residing in the  
27 United States and pregnant women through the SCHIP  
28 program without a mandatory waiting period. (Directive to  
29 Take Action)

30  
31 RECOMMENDATION B:

32  
33 Madam Speaker, your Reference Committee recommends  
34 that Resolution 117 be adopted as amended.

35  
36 **HOD ACTION: Resolution 117 adopted as amended.**

37  
38 Resolution 117 asks that our AMA: (1) strongly support State Children's Health  
39 Insurance Program (SCHIP) reauthorization and lobby toward this end; (2) lobby  
40 Congress to allow states to use SCHIP funds to augment employer-based coverage; (3)  
41 lobby Congress to allow states to explicitly use SCHIP funding to cover eligible pregnant  
42 women; and (4) lobby Congress to allow states the flexibility to cover all children residing  
43 in the United States and pregnant women through the SCHIP program without a  
44 mandatory waiting period.

45  
46 Your Reference Committee heard strong support for Resolution 117. In the fourth  
47 Resolve, the sponsors requested the addition of the word “eligible” as the original  
48 intention was not to cover all US children, but rather all eligible children.

49

1 The request to lobby Congress to allow states to use SCHIP funds to augment  
2 employer-based coverage as a solution to employers dropping coverage was supported.  
3 Testimony also highlighted the importance of using SCHIP funding for prenatal care,  
4 even though some states are currently extending such coverage through this program.  
5 In addition, testimony stressed eliminating the mandatory waiting period, which includes  
6 the current barrier of federal Medicaid and SCHIP immigrant eligibility restrictions which  
7 deem legal immigrants, including children, ineligible for federally-matched Medicaid and  
8 SCHIP coverage during their first five years of residence in the US. Your Reference  
9 Committee concurs with using SCHIP funding for these purposes and therefore,  
10 recommends adoption as amended.  
11

12  
13 (20) RESOLUTION 119 - STATE CHILDREN'S HEALTH  
14 INSURANCE PROGRAM REAUTHORIZATION

15  
16 RECOMMENDATION A:

17  
18 Madam Speaker, your Reference Committee recommends  
19 that the second resolve of Resolution 119 be amended by  
20 insertion and deletion on lines 35 and 37 to read as  
21 follows:  
22

23 RESOLVED, That our AMA lobby Congress to provide  
24 \$60 billion in additional funding for SCHIP to ensure  
25 adequate funding of the SCHIP program, and ~~allow~~  
26 incentivize states to expand coverage to qualified children,  
27 and support incentives for physicians to participate  
28 (Directive to Take Action); and be it further  
29

30 RECOMMENDATION B:

31  
32 Madam Speaker, your Reference Committee recommends  
33 that Resolution 119 be adopted as amended.  
34

35 **HOD ACTION: Resolution 119 adopted as amended.**  
36

37 Resolution 119 asks that our AMA (1) strongly support the State Children's Health  
38 Insurance Program (SCHIP) reauthorization and lobby toward this end; (2) lobby  
39 Congress to provide \$60 billion in additional funding for SCHIP to ensure adequate  
40 funding of the SCHIP program and allow states to expand coverage to qualified children;  
41 and (3) lobby Congress to ensure predictable funding of SCHIP in the future.  
42

43 While your Reference Committee heard supportive testimony on Resolution 119, the  
44 diversity of state implementation and provision of services under SCHIP was revealed.  
45 Since some states are not taking full advantage of federal matching funds, and  
46 testimony highlighted the resulting discrepancy in services provided, your Reference  
47 Committee felt compelled to replace the word "allow" on line 36 to "incentivize." In  
48 addition, as noted in the testimony provided on Council on Medical Service Report 1 and  
49 Resolution 129, general support of reauthorization rather than including a dollar amount  
50 is recommended. Given concern that payment to physicians is inadequate under SCHIP,

1 the suggested amendment from the floor to include incentives for physicians to  
2 participate has been included. In addition, while testimony supported the request to  
3 lobby Congress to ensure predictable funding for SCHIP, your Reference Committees  
4 notes that this is consistent with existing policy (D-290.985).

5 (21) RESOLUTION 121 - PRESCRIPTION CO-PAY RELIEF

6  
7 RECOMMENDATION A:

8  
9 Madam Speaker, your Reference Committee recommends  
10 that the second Resolve of Resolution 121 be adopted as  
11 amended by insertion on lines 18 and 19 to read as  
12 follows:

13  
14 RESOLVED, That our AMA make traditional pharmacies,  
15 including national chains, mail-order pharmacies,  
16 appropriate insurance carriers, and pharmaceutical benefit  
17 management companies aware of its policy opposing the  
18 charging of patients more than one co-pay for multiple  
19 prescriptions of the same or varying doses of a long-term  
20 medication within a 90-day period when evidence-based  
21 medicine dictates that less than 90-day prescriptions  
22 should be written during the initialization and dose  
23 stabilization of a newly prescribed long-term medication or  
24 during change in dosing of a long-term medication  
25 currently being taken. (Directive to Take Action)

26  
27 RECOMMENDATION B:

28  
29 Madam Speaker, your Reference Committee recommends  
30 that Resolution 121 be adopted as amended.

31  
32 **HOD ACTION: Resolution 121 adopted as amended.**

33  
34 Resolution 121 asks that our AMA (1) establish policy opposing the charging of patients  
35 more than one co-pay for multiple prescriptions of the same or varying doses of a long-  
36 term medication within a 90-day period when evidence-based medicine dictates that less  
37 than 90-day prescriptions should be written during the initialization and dose stabilization  
38 of a newly prescribed long-term medication or during change in dosing of a long-term  
39 medication currently being taken; and (2) make mail-order pharmacies, appropriate  
40 insurance carriers, and pharmaceutical management companies aware of its policy  
41 opposing the charging of patients more than one co-pay for multiple prescriptions of the  
42 same or varying doses of a long-term medication within a 90-day period when evidence-  
43 based medicine dictates that less than 90-day prescriptions should be written during the  
44 initialization and dose stabilization of a newly prescribed long-term medication or during  
45 change in dosing of a long-term medication currently being taken.

46  
47 Limited, yet positive testimony was heard on Resolution 121. Your Reference Committee  
48 notes that the requests are consistent with existing AMA policy, which insist that mail  
49 order pharmacies respect the prescribing authority of physicians and charge only

1 reasonable and small fees to discourage patients from requesting more medications  
2 than warranted (H-120.962). A suggested amendment was provided by the sponsor and  
3 given a lack of dissenting testimony, your Reference Committee urges adoption of  
4 Resolution 121 as amended.

5 (22) RESOLUTION 124 - REFORMING THE VOTING  
6 REPRESENTATION OF THE RELATIVE VALUE SCALE  
7 UPDATE COMMITTEE TO REFLECT THE  
8 COMPOSITION OF THE PHYSICIAN WORKFORCE AND  
9 WORK WITH COMMITTEE TO IMPROVE PRIMARY  
10 CARE REIMBURSEMENT

11  
12 RECOMMENDATION:

13  
14 Madam Speaker, your Reference Committee recommends  
15 that Substitute Resolution 124 be adopted:

16  
17 RESOLVED, That our AMA recommend that the voting  
18 representation of the AMA/Specialty Society Relative  
19 Value Scale Update Committee (RUC) be changed to  
20 ensure that physicians who provide primary care receive  
21 sufficient representation to assure that the RUC has the  
22 expertise it needs to evaluate the relative work associated  
23 with caring for patients in accordance with their large  
24 responsibility for care management of patients; and be it  
25 further (Directive to Take Action)

26  
27 RESOLVED, That our AMA continue to work with the  
28 Centers for Medicare and Medicaid Services (CMS), the  
29 Medicare Payment Advisory Commission, individual  
30 specialty societies and other appropriate sources to  
31 enhance the regularity and quality of the data on resource  
32 use for individual medical services presented to the RUC.  
33 (Directive to Take Action)

34  
35 **HOD ACTION: Resolution 124 referred.**

36  
37 Resolution 124 asks that our AMA: (1) recommend the voting representation of the  
38 Relative Value Scale Update Committee (RUC) be changed to provide primary care  
39 representation at least equal to the proportion of primary care physicians in the physician  
40 workforce; and (2) work with the RUC to address concerns of primary care  
41 reimbursement through such strategies including but not limited to, coordination of care  
42 codes, complexity modifiers, and fair compensation for evaluation and management  
43 services, with a report back at the 2007 Interim Meeting.

44  
45 Testimony on Resolution 124 was mixed. Supporters of the resolution recognized the  
46 expertise of the RUC, but felt that primary care physicians face a crisis as physicians are  
47 leaving their practices as a result of undervaluation of their services. Opponents of  
48 Resolution 124 supported the function of the RUC as an expert panel rather than a  
49 representative body, and felt that the RUC should not be politicized. Members of the

1 RUC testified that most services brought to the RUC for valuation involve interventional  
2 procedures and new technology. While Evaluation and Management (E/M) and care  
3 coordination are high volume and important services, consideration of these issues are  
4 only a part of the work of the RUC. Members from the RUC also testified that in addition  
5 to the current members from the American College of Physicians, the American  
6 Academy of Family Physicians, the American Academy of Pediatrics, and the American  
7 College of Obstetricians and Gynecologists, the RUC is considering a new, dedicated  
8 primary care seat to reflect the unique needs of those on the front lines of primary care  
9 to address legitimate valuation of issues involving primary care.

10  
11 In addition to these concerns, your Reference Committee heard overall frustration with  
12 the broken SGR payment formula and Medicare Part B budget neutrality. Two substitute  
13 resolutions were offered to your Reference Committee. Your Reference Committee  
14 considered the language in both suggestions and recommends that Resolution 124  
15 encourage the addition of primary care expertise, and support additional collaborative  
16 efforts to strengthen the regularity and quality of data on resources used to provide care  
17 to patients.

18  
19 (23) RESOLUTION 130 - MEDICARE PART D  
20 MODIFICATIONS

21  
22 RECOMMENDATION A:

23  
24 Madam Speaker, your Reference Committee recommends  
25 that Resolution 130 be amended by insertion to read as  
26 follows:

27  
28 RESOLVED, That our American Medical Association seek  
29 necessary federal legislative changes to have all pharmacy  
30 benefit programs participating in Medicare Part D offer at  
31 least one program that eliminates the coverage gap  
32 (Directive to Take Action); and be it further

33  
34 RESOLVED, That our AMA seek necessary federal  
35 legislative changes to require that ~~to have~~ all pharmacy  
36 benefit programs participating in Medicare Part D ~~be~~  
37 ~~required to~~ inform the enrollees of lower cost/generic  
38 alternatives for each prescribed medication. (Directive to  
39 Take Action)

40  
41 **HOD ACTION: Resolution 130 adopted as amended.**

42  
43 Resolution 130 asks that our AMA: (1) seek to have all pharmacy benefit programs  
44 participating in Medicare Part D offer at least one program that eliminates the coverage  
45 gap; and (2) seek to have all pharmacy benefit programs participating in Medicare Part  
46 D be required to inform the enrollees of lower cost/generic alternatives for each  
47 prescribed medication.

48  
49 Fully supportive testimony was offered on Resolution 130. Your Reference Committee  
50 notes that the sponsor of Resolution 130 requested that the language be modified to

1 reflect the addition of the phrase that our AMA seek “necessary federal legislative  
2 changes” in the first and second resolves respectively. Your Reference Committee  
3 recommends adoption with this modification.

4 (24) RESOLUTION 132 - NOTIFICATION,  
5 PRECERTIFICATION, AND APPEALS FOR  
6 MEDICATIONS AND IMAGING STUDIES

7  
8 RECOMMENDATION A:

9  
10 Madam Speaker, your Reference Committee recommends  
11 that Resolution 132 lines 14 - 15 and lines 19 – 20 be  
12 amended by deletion to read as follows:

13  
14 ~~RESOLVED, That our American Medical Association seek~~  
15 ~~to have all physician orders accorded equal standing with~~  
16 ~~all commercial carriers; (Directive to Take Action) and be it~~  
17 ~~further~~

18  
19 RESOLVED, That our AMA seek to have all notifications,  
20 precertifications and appeals for medications and imaging  
21 studies allowed equally by phone, e-mail, fax or letter by  
22 forms and criteria generated in concert between the  
23 carriers and the relevant specialty groups. (Directive to  
24 Take Action)

25  
26 RECOMMENDATION B:

27  
28 Madam Speaker, your Reference Committee recommends  
29 that Resolution 132 be adopted as amended.

30  
31 **HOD ACTION: Resolution 132 adopted as amended**

32  
33 Resolution 132 asks that our AMA (1) seek to have all physician orders accorded equal  
34 standing with all commercial carriers; and (2) seek to have all notifications,  
35 precertifications and appeals for medications and imaging studies allowed equally by  
36 phone, e-mail, fax or letter by forms and criteria generated in concert between the  
37 carriers and the relevant specialty groups.

38  
39 Testimony on Resolution 132 was limited, yet controversial. Testimony did not support  
40 substitute language proposed by the sponsor of Resolution 132. Others testified against  
41 the first Resolve because of concern that carriers would scrutinize the orders of all  
42 physicians, rather than those of outlier physicians. Your Reference Committee concurs  
43 and recommends deletion of the first Resolve. The Reference Committee also supports  
44 deletion of the reference to forms and criteria, which the Committee believes are  
45 ambiguous.

1 (25) COUNCIL ON MEDICAL SERVICE REPORT 10 -  
2 STRATEGIES TO STRENGTHEN THE MEDICARE  
3 PROGRAM  
4

5 RECOMMENDATION A:  
6

7 Madam Speaker, your Reference Committee recommends  
8 that Recommendations (b), (d), and (e) of Council on  
9 Medical Service Report 10 be adopted.

10  
11 RECOMMENDATION B:  
12

13 Madam Speaker, your Reference Committee recommends  
14 that Recommendations (a) and (c) be referred, and that the  
15 remainder of the report be filed.

16  
17 **HOD ACTION: Recommendations (b), (d), and (e) of**  
18 **Council on Medical Service Report 10 adopted;**  
19 **Recommendations (a) and (c) referred with report back at**  
20 **I-07; and remainder of report filed.**  
21

22 Council on Medical Service Report 10 asks that our AMA support the following reforms  
23 to strengthen the Medicare program, to be implemented together or separately, and  
24 phased-in as appropriate: (a) combine the Medicare Trust Funds into a single unit, so  
25 that revenues for the Medicare program can be administered more efficiently and be  
26 better targeted toward the services used by beneficiaries; (b) restructure beneficiary  
27 cost-sharing so that patients have a single premium and deductible for all Medicare  
28 services, with means-tested subsidies and out-of-pocket spending limits that protect  
29 against catastrophic expenses. The cost-sharing structure should be developed to  
30 provide incentives for appropriate utilization while discouraging unnecessary or  
31 inappropriate patterns of care. The use of preventive services such as those  
32 recommended by the US Preventive Services Task Force (USPSTF) should also be  
33 encouraged. Simultaneously, policymakers will need to consider modifications to  
34 Medicare supplemental insurance (i.e., Medigap) benefit design standards to ensure that  
35 policies complement, rather than duplicate or undermine, Medicare's new cost-sharing  
36 structure; (c) phase-in a single high annual deductible for all Medicare services, to be  
37 indexed for inflation and subsidized for low-income beneficiaries. Preventive services  
38 such as those recommended by the US Preventive Services Task Force (USPSTF)  
39 would be exempt from the deductible. Establish policies to encourage workers to pre-  
40 fund savings to meet the deductibles; (d) offer beneficiaries a choice of plans for which  
41 the federal government would contribute a standard amount toward the purchase of  
42 traditional fee-for-service Medicare or another health insurance plan approved by  
43 Medicare. All plans would be subject to the same fixed contribution amounts and  
44 regulatory requirements. Policies would need to be developed, and sufficient resources  
45 allocated, to ensure appropriate government standard-setting and regulatory oversight of  
46 plans; and (e) restructure age-eligibility requirements and incentives to match the Social  
47 Security schedule of benefits.  
48

49 The Council on Medical Service was commended for its report. Testimony strongly  
50 supported the efforts of the Council on Medical Service to move beyond the focus of the

1 SGR and contribute key building blocks, consistent with AMA policy, for restructuring  
2 Medicare. While the bulk of the report was supported, concerns were raised regarding  
3 the implementation of Recommendation (a) to combine Medicare Part A and B. Some  
4 felt that combining the Medicare funding would antagonize collaborative efforts with the  
5 hospital community. Others were concerned that combining the entitlement of Part A  
6 and the voluntary Part B program may be unworkable. The Council on Medical Service  
7 stressed that the long-term financing and benefits structure of the current Medicare  
8 program is unsustainable and policymakers strongly agree with combining Medicare  
9 Parts A and B into a single funding sources to consider more efficiency and better  
10 targeting of benefits.

11  
12 In addition, concerns were also raised regarding Recommendation (c) for the  
13 implementation of a high deductible for all Medicare services, as some studies have  
14 shown that higher cost-sharing requirements may prolong the time that patients initiate  
15 seeking care. The Council on Medical Service emphasized that Medicare Part D has  
16 accelerated the insolvency of the Medicare program and that higher income seniors  
17 should be required to shoulder more responsibility for their care. At the same time, the  
18 Council reiterated its support for adequate subsidies, inversely related to income to  
19 assist low-income seniors with high deductibles. While there were concerns from some  
20 delegates that the report did not address the concept of the medical home, others felt  
21 that this issue could be addressed in future studies.

22  
23 Your Reference Committee considered these concerns to be substantial and  
24 recommends the adoption of Recommendations (b), (d), and (e) and referral of  
25 Recommendations (a) and (c) for further consideration.

26  
27 (26) RESOLUTION 104 - USING BOTH TAX DEDUCTIONS  
28 AND TAX CREDITS TO STRENGTHEN THE MARKET  
29 FOR INDIVIDUALLY OWNED HEALTH INSURANCE

30  
31 RECOMMENDATION:

32  
33 Madam Speaker, your Reference Committee recommends  
34 that Resolution 104 be referred.

35  
36 **HOD ACTION: Resolution 104 referred with report back at**  
37 **I-07.**

38  
39 Resolution 104 asks that our AMA support the idea of both tax deductions and tax  
40 credits being used to encourage the individual ownership of health insurance and use  
41 the necessary resources to obtain passage of federal legislation to achieve that end.

42  
43 Your Reference Committee heard compelling reasons for further consideration of this  
44 issue. While tax deductions have gained increasing attention by the Bush Administration  
45 and other policy advocates, it is unclear whether the AMA should support deductions as  
46 well as tax credits. The Council on Medical Service suggested that this issue be studied  
47 further. Your Reference Committee concurs and suggests that Resolution 104 be  
48 referred.

1 (27) RESOLUTION 136 - PRINCIPLES FOR HEALTH  
2 SYSTEM REFORM AT STATE LEVEL

3  
4 RECOMMENDATION:

5  
6 Madam Speaker, your Reference Committee recommends  
7 that Resolution 136 be referred.

8  
9 **HOD ACTION: Resolution 136 referred.**

10  
11 Resolution 136 asks that in the development of future AMA policy concerning efforts of  
12 individual states to reform their health systems, that the following guiding principles be  
13 given consideration in the development of a system of metrics that can be used to  
14 evaluate specific proposals: (1) Coverage - Health care coverage for state residents  
15 should be universal, continuous, portable and mandatory; (2) Benefits - An essential  
16 benefits package should be uniform and include behavioral health; with the option to  
17 obtain additional benefits; (3) Delivery system - The system must ensure choice of  
18 physician and preserve patient/physician relationships. The system must focus on  
19 providing care that is safe, timely, efficient, effective, patient-centered and equitable; (4)  
20 Administration and governance - The system must be simple, transparent, accountable,  
21 and efficient and effective in order to reduce administrative costs and maximize funding  
22 for patient care. The system should be overseen by a governing body that includes  
23 regulatory agencies, payers, consumers, and care givers and is accountable to the  
24 citizens; and (5) Financing - Health care coverage should be equitable, affordable and  
25 sustainable. The financing strategy should strive for simplicity, transparency and  
26 efficiency. It should emphasize personal responsibility as well as societal obligations,  
27 due to the limited nature of resources available for health care.

28  
29 Your Reference Committee heard broad support for the efforts of the Colorado Medical  
30 Society and the Colorado Physicians' Congress on Health Reform, in addition to several  
31 other state efforts to achieve health system reform. It was noted that the Council on  
32 Medical Service is developing a report on state health system reform efforts for I-07.

33  
34 A member of the Council on Medical Service testified that in its study of state health  
35 system reform efforts, it has reviewed summaries of recent and pending efforts that are  
36 available on the Advocacy Resource Center (ARC) page of the AMA Web site:  
37 [http://www.ama-assn.org/ama1/x-arc/upload/mm/378/stlaw\\_uninsuredchart.pdf](http://www.ama-assn.org/ama1/x-arc/upload/mm/378/stlaw_uninsuredchart.pdf) and  
38 [http://www.ama-assn.org/ama1/x-arc/upload/mm/378/stleg\\_uninsuredsumma.pdf](http://www.ama-assn.org/ama1/x-arc/upload/mm/378/stleg_uninsuredsumma.pdf).  
39 Currently, these pages on the ARC site are available only to AMA staff and ARC users.  
40 Testimony also indicated that the annual educational session of the Forum for Medical  
41 Affairs at I-07 would address state health system reform efforts.

42  
43 Testimony indicated concern with the specific metrics or principles proposed in  
44 Resolution 136. Regarding the first principle, current AMA policy supports a requirement  
45 that individuals and families earning less than 500% of the federal poverty level be  
46 required to obtain coverage only if health insurance subsidies become available (Policy  
47 H-165.848). It was unclear whether the first principle recommended mandatory  
48 coverage without subsidizing the cost for those with low incomes. Regarding the second  
49 principle, there was concern about the development of an "essential benefits package."

1 Testimony on the fourth principle questioned the role of the “governing body” and  
2 whether it would be intrusive.

3  
4 Your Reference Committee believes the concerns that were raised warrant further study  
5 and therefore concurs with testimony calling for referral of Resolution 136.

6  
7 (28) RESOLUTION 115 - ASSESSING THE HEALTH CARE  
8 PROPOSALS OF THE US PRESIDENTIAL CANDIDATES

9  
10 RESOLUTION 139 - ASSESSING THE HEALTH CARE  
11 PROPOSALS OF THE U.S. PRESIDENTIAL  
12 CANDIDATES

13  
14 RECOMMENDATION:

15  
16 Madam Speaker, your Reference Committee recommends  
17 that Resolution 115 and Resolution 139 be referred for  
18 decision.

19  
20 **HOD ACTION: Resolutions 115 and 139 referred for**  
21 **decision.**

22  
23 Resolution 115 asks that our AMA (1) request details of the health care proposals of  
24 every declared Democratic and Republican candidate for US President in 2008; (2)  
25 evaluate the health care proposals of all candidates for US President, specifically on  
26 how they align with our AMA's strategic priorities and our advocacy to reduce health care  
27 disparities; and (3) report back on this issue at the 2007 Interim Meeting.

28  
29 Resolution 139 asks that: (1) our AMA request details of the health care proposals of  
30 every declared candidate for US President; and (2) summarize the health care proposals  
31 of all candidates for US President in a standardized format beginning at the 2007 Interim  
32 Meeting.

33  
34 Providing details of the health care proposals of declared presidential candidates was  
35 strongly supported as a valuable member benefit. Testimony brought up various  
36 suggestions, such as considering the removal of the words Democrat and Republican in  
37 Resolution 115 and acknowledging that the proposals will change, so the resulting  
38 product would need to be updated often. In addition, concerns were raised that the AMA  
39 must remain politically neutral in reporting candidate proposals so as not to appear to  
40 endorse one candidate over another. It was noted that the request to “evaluate” the  
41 proposals and declare how they align with the AMA may produce an unintended bias.  
42 Given the amount of issues raised and the highly sensitive political nature of the  
43 requests contained in these resolutions, your Reference Committee concurs with a  
44 suggestion for referral for decision.

1 (29) RESOLUTION 142 - DEMONSTRATION PROJECT  
2 REGARDING MEDICARE PART D

3  
4 RECOMMENDATION:

5  
6 Madam Speaker, your Reference Committee recommends  
7 that Resolution 142 be referred for decision.

8  
9 **HOD ACTION: Resolution 142 referred for decision.**

10  
11 Resolution 142 asks that our AMA support federal legislation to authorize waivers for  
12 state demonstration projects to allow states to negotiate and purchase drugs on behalf  
13 of Medicare Part D beneficiaries utilizing each state's existing revenues, and to create  
14 and implement alternative prescription drug programs for beneficiaries.

15  
16 Your Reference Committee heard testimony opposing Resolution 142 because of the  
17 potential effect of crowding out private efforts. Your Reference Committee notes that  
18 existing AMA policy (D-330.954) supports federal legislation which gives the Secretary of  
19 the Department of Health and Human Services the authority to negotiate contracts with  
20 manufactures of covered Part D drugs. The effects of this new policy is unclear, your  
21 Reference Committee recommends that Resolution 142 be referred for decision.

22  
23 (30) RESOLUTION 133 - UNIVERSAL ACCESS TO HEALTH  
24 INSURANCE

25  
26 RECOMMENDATION:

27  
28 Madam Speaker, your Reference Committee recommends  
29 that Resolution 133 not be adopted.

30  
31 **HOD ACTION: Resolution 133 not adopted.**

32  
33 Resolution 133 asks that our AMA add publicly-funded universal access to health  
34 insurance to its list of options under discussion for increasing access to health coverage  
35 for all citizens of the United States.

36  
37 Testimony was largely opposed to Resolution 133. Opponents noted that AMA policy  
38 promotes a pluralistic range of public and private coverage options, but leaves no room  
39 for a single payer approach. Your Reference Committee concurs with testimony against  
40 Resolution 133 and recommends that it not be adopted.

1 (31) RESOLUTION 125 - ELIMINATION OF MEDICAL  
2 SPECIALTY AS A CRITERION FOR MEDICARE  
3 REIMBURSEMENT FOR PERFORMING DIAGNOSTIC  
4 TESTS IN INDEPENDENT DIAGNOSTIC TESTING  
5 FACILITIES  
6

7 RECOMMENDATION:  
8

9 Madam Speaker, your Reference Committee recommends  
10 that Policy D-385.974 be reaffirmed in lieu of Resolution  
11 125.  
12

13 **HOD ACTION: Policy D-385.974 reaffirmed in lieu of**  
14 **Resolution 125.**  
15

16 Resolution 125 asks that our AMA work with the Centers for Medicare and Medicaid  
17 Services and/or the Congress to eliminate the requirements that would prevent  
18 appropriately trained physicians from performing and being reimbursed for diagnostic  
19 testing done in Independent Diagnostic Testing Facilities.  
20

21 Your Reference Committee heard mixed testimony on Resolution 125. The sponsor  
22 stated that the intent of submitting this resolution is to alleviate the detriment that  
23 medical specialty requirements have on patient care in rural areas. While testimony was  
24 sympathetic not to disenfranchise rural physicians, many concerns were raised, such as  
25 quality of care taking precedent in the delivery of care. Your Reference Committee notes  
26 that the requests are consistent with existing AMA policy, D-385.974[3,4], and therefore  
27 recommends reaffirmation in lieu of Resolution 125.  
28

29 D-385.974 Freedom of Practice in Medical Imaging

30 Our AMA will: (3) actively oppose efforts to require patients to receive imaging  
31 services at imaging centers that are mandated to require specific medical  
32 specialty supervision and support patients receiving imaging services at facilities  
33 where appropriately trained medical specialists can perform and interpret  
34 imaging services regardless of medical specialty; and

35 (4) actively oppose any attempts by federal and state legislators, regulatory  
36 bodies, hospitals, private and government payers, and others to restrict  
37 reimbursement for imaging procedures based on physician specialty, and  
38 continue to support the reimbursement of imaging procedures being performed  
39 and interpreted by physicians based on the proper indications for the procedure  
40 and the qualifications and training of the imaging specialists in that specific  
41 imaging technique regardless of their medical specialty.

1 (32) RESOLUTION 141 - PHYSICIAN TAX CREDITS FOR  
2 INDIGENT CARE

3  
4 RECOMMENDATION:

5  
6 Madam Speaker, your Reference Committee recommends  
7 that Policies H-160.969 and H-180.965 be reaffirmed in  
8 lieu of Resolution 141.

9  
10 **HOD ACTION: Policies H-160.969 and H-180.965 reaffirmed**  
11 **in lieu of Resolution 141.**

12  
13 Resolution 141 asks that our AMA lobby for legislation that would allow tax credits for all  
14 physicians who provide uncompensated care to uninsured patients.

15  
16 Testimony expressed considerable concern that providing tax credits for the provision of  
17 charity care would create a burden and potential jeopardy for physicians who would  
18 have to document their charity care in order to receive a tax credit from the Internal  
19 Revenue Service. Testimony observed that Resolution 141 conflicts with Policies H-  
20 160.969 and H-180.965. Your Reference Committee notes that lobbying for legislation,  
21 as called for in Resolution 141, would require a change of policy. Your Reference  
22 Committee concurs with support for existing AMA policy and recommends reaffirmation  
23 of Policies H-160.969 and H-180.965 as follows:

24  
25 H-160.969 Tax Deduction for Care Provided the Indigent

26  
27 Our AMA does not believe that it should seek a special income tax deduction for  
28 providing medical care to the indigent.

29  
30 H-180.965 Income Tax Credits or Deductions as Compensation for Treating  
31 Medically Uninsured or Underinsured

32  
33 The AMA will not pursue efforts to have federal laws changed to provide tax  
34 deductions or credits for the provision of care to the medically uninsured and  
35 underinsured.

Madam Speaker, this concludes the report of Reference Committee A. I would like to thank Paul B. Handel, MD, Adam C. Levine, MD, Richard N. Nelson, MD, Laura Lowe Tosi, MD, Kim Allan Williams, MD, Joseph W. Zebley, III, MD, and all those who testified before the Committee.

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