

## Physicians get inside view of health reform debate at crossroads

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“Bottom line: 23 million people lose coverage.”

That was the opening assessment of the American Health Care Act (AHCA) from Richard A. Deem, the AMA’s senior vice president of advocacy, speaking Friday at an education session during the 2017 AMA Annual Meeting in Chicago.

The 23 million figure comes from a Congressional Budget Office (CBO) estimate of the version of the bill that was passed in the House May 4 by a 217–213 vote.

The AMA has urged senators to chart a different course and a new version of the bill is expected to be drafted in the Senate that addresses individual senators’ concerns regarding Medicaid expansion, continued coverage of pre-existing conditions, and maintaining cost-sharing reductions (CSRs) to help those with low-incomes afford insurance.

“We are at a crossroads here,” Deem said during a Saturday House of Delegates (HOD) open forum. “Are we going to move forward and fix some of the problems with the ACA [Affordable Care Act], or are we going to retreat on some of the goals we set for improving health care for the nation?”

Deem said there could be “language,” if not a formal bill, that GOP senators give to the CBO for consideration as early as Wednesday, the same day the HOD is set to adjourn.

With 52 GOP senators, the Republicans hold a slim majority in the chamber and Deem said it’s possible that Vice President Mike Pence could be called in to break a tie. Senate Majority Leader Mitch McConnell, R-Ky., has his work cut out for him.

“If McConnell loses three Republicans, the bill fails,” Deem said, adding that there are some senators among the 46 Democrats and two independents who will work with the GOP on certain reform issues, but all are opposed to repeal of the ACA.

“Things have become so ideological that it’s become difficult to compromise and solve complex problems,” Deem said. “The divergence is just too great.”

During the Saturday session, delegates asked why the AMA had not formulated an alternative reform bill. Deem noted that in lieu of a bill, the Association has offered a set of objectives to guide Capitol Hill discussions. He added that those objectives did not fit easily into the Byzantine reconciliation process by which budgetary issues can be settled with a simple majority but policy changes require a 60-vote Senate majority.

“Reconciliation does not allow us to cover all the policies and principles that we need,” Deem said. The entire premise of the current approach is driven by the need “to meet a campaign promise [to repeal the ACA], then to meet a savings target to set things up for a tax bill behind this. That’s not an environment that’s really set up for a comprehensive health reform effort.”

Deem outlined the AMA objectives for health reform. They include:

- Ensuring that individuals who are currently covered do not become uninsured.
- Maintaining market reforms such as coverage of pre-existing conditions and parental coverage for young adults.
- Ensuring that low- and moderate-income individuals are able to secure affordable and meaningful coverage.
- Ensuring adequate funding for Medicaid, CHIP and other safety net programs.
- Reducing regulatory burdens and incorporating common sense medical liability reforms.
- And advancing delivery reforms and new physician-led payment models.

Deem said the basis for AMA opposition to the AHCA includes:

- The CBO projection that 23 million people would lose their insurance.
- Its more than \$830 billion in Medicaid cuts and the reduced tax credits and subsidies for those with low and moderate incomes.
- Elimination of the Prevention and Public Health Fund that supports about 12 percent of Centers for Disease Control and Prevention programs.
- Its ban on Planned Parenthood funding violates patient freedom of choice and physician freedom of practice principles.

Deem named one Republican senator—John Thune of South Dakota—who is working to “beef up the tax credits” in a Senate bill. “We haven’t seen details yet. We’ve offered some ideas about things to do with HSAs [health savings accounts] that would involve spending more money but could help patients set aside funds and be able to purchase a lower-cost plan and afford a higher deductible. That might get you there, in terms of providing assistance to younger people,” he said during the HOD open

session Saturday.

“This is just one chapter in a long, long saga,” Deem said. “We’re not going to fix it all in this one exercise.”

If the Senate does pass a version of the bill, Deem predicted that the House would then accept or reject it without changes as it was unlikely that conference committees would be “ping-ponging it back and forth through the summer.”

In addition to health reform, the AMA is also working on delivery redesign. Deem highlighted an *Annals of Internal Medicine* study in which physicians were observed spending about two hours on administrative work for every one hour they spent with patients.

“We have to flip that ratio,” Deem said.

He also noted that the AMA is working to open more opportunities for physicians to participate in alternative payment models under the Medicare Access and CHIP Reauthorization Act (MACRA).

“MACRA isn’t perfect, but it is an improvement over what we had,” Deem said, adding that an emphasis of AMA efforts is to remind policymakers of the reality that 58 percent of medical practices include 10 or fewer physicians and small groups may face difficulties implementing complex regulations.

## **The search for medical value**

Deem’s co-presenter Friday was Robert Nesse, MD, the Mayo Clinic’s senior director of payment reform.

Dr. Nesse noted that much of what’s being debated today in Washington is about the value of health care and it has its roots in two places.



One was the patient safety movement that began more than 20 years ago and culminated in the 2000 Institute of Medicine report, *To Err is Human: Building a Safer Health System*. Before that, Dr. Nesse said, was the work of the Dartmouth Atlas of Healthcare, which found wide variances in cost and quality of care and that high cost was often related to low quality.

“The issue here is value-based purchasing—what is it and what does it mean to us?” Dr. Nesse said.

For many, he said, value-based purchasing has been a “scramble for new partners” with health systems and health plans getting bigger and bigger as a means of survival.

This attitude—described by Dr. Nesse as “I don’t need to outrun the bear, I just need to outrun you”—is not going to work.

“People are getting on a bigger iceberg, but we’re all heading toward the tropics,” he said.

Dr. Nesse said leaders at the Mayo Clinic are not asking “how do we reform health care because we’ll be reforming health care forever.” Instead, he said, “We are asking how can Mayo Clinic influence the four [broken] fundamental components of value-based care that physicians must solve: patient attribution, patient risk adjustment, performance measures, and network adequacy.”

“You can’t be measured for what you do unless you know who your patients are—and the people who pay you know,” Dr. Nesse said regarding patient attribution.

Problems with patient risk adjustment have created a situation where physicians who care for patients with complex conditions are more vulnerable to being subject to hospital readmission penalties or other sanctions.

If this issue is not corrected, Dr. Nesse warned, a “tragedy” may occur in which high-risk patients will have trouble finding a provider who will see them.



Read more about the AMA's comprehensive vision for health-system reform, refined over more than two decades by the HOD, which is composed of representatives of more than 190 state and national specialty medical associations.

You can further explore the AMA's health reform objectives at [Patientsbeforepolitics.org](https://Patientsbeforepolitics.org), an online platform designed to educate and engage patients and physicians on the current debate. The site makes it easy for patients and physicians to write their elected Congressional representatives and urge them to protect Americans' access to quality care.

Read more news coverage from the 2017 AMA Annual Meeting.