Resolution: 213
(A-19)

Introduced by: New York

Subject: Financial Penalties and Clinical Decision-Making

Referred to: Reference Committee B
(Charles Rothberg, MD, Chair)

Whereas, Physicians along with other stakeholders share the goal of providing cost effective care; and

Whereas, Other stakeholders (such as payers – who as a group have access to enormous amounts of utilization data) can be helpful in identifying cost centers and even in the development of targets to work toward in order to achieve the shared goal of providing cost effective care; and

Whereas, It is physicians who have a perspective unique among the stakeholders to assess the clinical course and outcomes (the other variables in calculating cost effectiveness) – particularly when outcomes data is insufficient to draw objective conclusions; and

Whereas, Recently a New York insurer (one with significant market share) observed that despite increasing reimbursement for a less expensive injectable drug (although one unapproved for this indication), physicians did not change their utilization patterns in favor of this drug in the manner sought by that insurer; and

Whereas, This insurer is now being investigated by the New York Department of Financial Services for this practice; and

Whereas, In response, rather than assess all the factors (rather than just the economic ones) that contribute to physician preferences in their choice of therapy (such as indication, effectiveness, therapeutic failure/responses, dosing, safety), the company elected to instead impose financial penalties on practices that have a member that is a statistical outlier when compared to the aggregate of physicians within the plan; and

Whereas, Those penalties apply not only to the individual outlier physician but to all the services rendered by all of the members of the practice – the penalties extend even to those physicians whose utilization is within the target (and, presumably, to those who do not even use these drugs); therefore be it

RESOLVED, That our American Medical Association oppose the practice of a payer utilizing statistical targets alone (and not outcomes data) to determine ‘cost effectiveness’ of a therapeutic choice (New HOD Policy); and be it further

RESOLVED, That our AMA oppose the practice of a payer imposing financial penalties upon physicians and/or associated physicians based upon the use of statistical targets without first considering the clinical factors unique to each patient’s claim. (New HOD Policy)

Fiscal Note: Not yet determined
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