

Physician Leadership and the Hard Choices in Health Reform

**AMA Annual Meeting
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President
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Madam Speaker, Members of the Board, delegates, friends, and the amazing people who work for the AMA ... thank you for the second most remarkable year of my life.

Second, because of course the most remarkable year was when I met and fell in love with my husband, Steve Kanig.

It's been my honor to travel the country as AMA president this past year, talking to physicians from all walks of life ... all specialties ... all age groups and practice types. Representing the AMA to the World Medical Association gave me the opportunity to hear first-hand how medicine is practiced around the globe.

One thing I've learned is that professional burnout is pervasive ... and that physicians across the U.S. and internationally are feeling its effects. But its root causes are different in other countries. Abroad it seems to stem from insufficient resources to get people the quality care they need and deserve.

One comment I heard again and again from our international colleagues was, well ... at least their health system isn't as bad as ours.

Or as Walter Cronkite – the iconic network anchor who was once most trusted man in America -- famously said ... “America's health care system is neither healthy, caring, nor a system.”

It saddens me to say I agree that we don't operate in a healthy delivering system. And we physicians do care, we are immensely frustrated.

I'm afraid for the future of health care in our nation unless policymakers, with physician guidance, make necessary changes. I'm particularly afraid that without changes, Medicare will not be there for our seniors. Our current situation simply is unsustainable.

We spend about three-and-a-half trillion dollars a year on health care, and unless we make some dramatic changes, we're on pace to exceed five trillion dollars by 2026.

That leaves insufficient funding for schools, firefighters, public parks or responding to natural disasters. Obviously, we can't allow that to happen.

We need to make some difficult decisions. So, the question is ... whom do we trust to make those decisions?

Everyone in this room knows the answer.

In America, the entry ticket for our health system is an insurance policy, which is why I'm proud the AMA continues to fight on the side of patients ... fighting to ensure people have the coverage they need – at a cost they can afford – and pushing back on efforts in Congress to take insurance away.

We all know that delaying care until it becomes an emergency is not the best way to manage the chronic diseases that account for nearly 90 percent of our health care spending. By that point it's too late, and too expensive.

The average American doesn't have \$500 saved for an emergency, and insurance companies routinely issue them policies with \$5,000 deductibles.

No wonder two-thirds of bankruptcies are triggered by a health event ... and two-thirds of those bankruptcies happen to people with insurance.

How many months could any of us manage our health care expenses if we had to stop working because of a serious illness?

We've learned that high co-pays often dissuade people from getting necessary care, so perhaps we should rethink whether co-pays are the useful management tool they were thought to be. Or are they just cost shifting?

Our nation's largest health insurance plans made billions last year. Do we want a health system that simply fills insurer's pockets or one that allows us to deliver our best care to patients?

I'm proud that the AMA is taking on insurance companies to reform prior authorization, helping a dozen states remove prior authorization for medication-assisted therapy to get timely treatment for a substance use disorder.

I'm proud that one of the ways the AMA is working to lower health care costs is by confronting the rise in chronic disease with evidence-based diabetes prevention programs, and a strategy to leverage community networks dedicated to early detection and intervention.

I'm proud of how we're a leading voice for common sense gun violence prevention policies.

And I've never been more proud of the AMA than I was this spring when we joined forces to sue the federal government to protect millions of women who receive reproductive care through Title X ... fighting to preserve our ability to have open conversations with our patients about all their health care options.

Since becoming law 50 years ago, Title X has been responsible for helping millions of women avoid unplanned or unwanted pregnancies, bringing abortion rates to an all-time low, and giving women access to potentially life-saving cancer screenings.

We were astounded by the administration's decision to reduce access to Title X clinics and to impose gag rules on physicians, limiting our ability to give our patients a full range of treatment options.

Let me be clear.

Any law or regulation that prevents us from fulfilling our ethical duty to give our patients complete and honest information is unacceptable and will be challenged by the AMA.

Any law or regulation that criminalizes medically sound health care is unacceptable and will be challenged by the AMA.

And any law or regulation that interferes with the patient-physician relationship or that undermines that trust is unacceptable and will be challenged by the AMA.

As a country, our health care priorities are out of whack.

In my frequent visits with medical associations, I was often invited to tour a brand-new building or new hospital wing, usually prominently decorated with the name of a major donor.

Is erecting new brick-and-mortar buildings for tertiary services really the best use for our precious health care dollars?

Wouldn't it be more cost effective to lessen the need for such services by prioritizing early intervention for those with a chronic disease and keeping them healthy enough to avoid a hospital stay?

How many health clinics could we imbed in high-risk communities or small towns with that much money? How many primary care doctors could work

rent free in those clinics to handle diabetes and heart disease cases for the enormous cost of a new hospital wing?

That would truly change the economic model for primary care and improve health outcomes.

Health care is now the largest employer in the U.S. economy ... driven largely by new hires focused on administrative tasks instead of clinical care.

We've all heard the AMA studies saying that our most highly trained health professionals, physicians, spend about two hours entering data for every hour with a patient.

How many of you really enjoy spending part of your nights recording patient data to improve your hospital's star rating for higher payments – a task that does nothing to improve patient care?

The AMA is focused on reducing this ever-increasing bureaucracy. Prior authorization drives us all crazy and the AMA has engaged some of the largest players to right-size that process, easing physician frustration and ensuring that patients receive the care they need in a timely manner.

We all look forward to the day when electronic health records are a useful tool instead of a glorified billing machine, but the EHR market is very concentrated and powerful.

Anti-competitive markets limit choices and raise costs, which is why AMA policy strongly supports choice for patients and doctors.

Our AMA has fought the mergers and acquisitions of health insurance companies and won! Now we're challenging the CVS-Aetna merger.

How many of you think patients will benefit or out-of-pocket drug costs will go down if this acquisition occurs?

We're seeing the same anti-competitive consolidations across health care, including in the hospital market where they seem to think the only way to combat consolidation in the insurance market is to consolidate themselves and acquire physician practices.

The promise is that efficiencies of scale will lower prices for patients, but the facts don't bear that out. Instead, choices go down, costs go up ... and staff input on hospital operations is diminished, adding to physician frustrations.

I hear these frustrations all the time. There's little doubt in my mind, and clear evidence, that burnout for employed physicians stem from a lack of control.

It's a lack of control in their day-to-day work environment, but also when they identify a clinical need but can't convince their employer to invest to try and solve it. Like when physicians want more addiction medicine specialists but the hospital system's resources are being put toward that new wing.

For physicians in private practice, the frustrations are generally fewer resources to confront growing administrative requirements.

We cannot afford to provide social workers or dietary consultations because the physician fee schedule doesn't cover it. Independent physicians are working longer hours but are seeing their compensation from Medicare and Medicaid dropping below the cost of keeping the office open.

The AMA is working on several fronts to reduce administrative burdens on physicians and we are thankful we have an ally at the Centers for Medicare and Medicaid Services.

Physicians aren't the only one who've noticed that the cost of providing care has increased about 30 percent since 2002 while physician payments have risen just six percent and hospital payments about 50 percent.

This means that if I sold my practice to a hospital tomorrow ... and I provided the same services to the same patient in the same exam room, Medicare would be charged double and the commercial plans would be charged triple.

The AMA tried to fix this when we led the charge to get rid of the Medicare Sustainable Growth Rate formula in favor of MACRA. Unfortunately, budget politics led to a policy where MIPS participants will have five years of zero percent updates.

We cannot keep up with practice expenses without an increase, which is what I told the Senate Finance Committee last month, urging Congress to provide funding for positive updates and other improvements in the MACRA/QPP program.

We're also advocating for more opportunities for Alternative Payment Models while we continually remind CMS and commercial payers that innovation costs money!

No wonder so many of us are burned out.

Resilience training might help you get through a bad day, but to cure this disease we actually have to fix short-sighted policies and truly pay for value.

A few insurance companies are recognizing that creating new payment structures require collaboration with doctors.

We know our patients and what they need and where money is wasted. Innovative insurance companies can work with doctors to align redesigned payment systems with redesigned care processes and to create quality measures that actually help us improve.

I know this can be done because I'm working on just such a project with a major payer in New Mexico.

But far too many insurance companies are still using prior auth as a blunt object administered by people who don't know the patients or understand their needs.

Too many insurance companies are still working as adversaries to physicians, trying to maximize profit by paying below what it costs to do business. They're still creating narrow networks that trap patients by omitting essential specialties and creating gaps in their health coverage.

We have to rethink high-deductible health plans. Too many people see the lower premiums and think they're getting a great deal, only to find out that the deductible makes their insurance unusable.

Our country cannot continue to pay almost 20 percent of its of GDP for health care, and we **all** need to stop acting like this will go on forever ... even if that means lower profit margins for the insurance industry.

Pharmacy Benefit Managers are my favorite example of middlemen whose profit far exceeds their value ... making money off high drug prices and the backs of sick people whose very lives may depend on that medication.

They cannot continue to milk the system until it collapses under its own weight.

As physicians speaking up for our patients, we cannot allow that. We must be the agent of change—the voices that speak truth to power ... and that demand a system that delivers for patients what they need, when they need it.

Surely the richest country on earth can figure this out.

Physicians and patients are increasingly aware of the critical need for health policy reform. This is a heavy lift, and we will only be successful through organizations like the AMA working in concert with one another.

My friends and colleagues ... the people I trust – whom our patients trust – to fix our system are in this room today.

Look around ... we are the ones called to fight regressive policies and needless bureaucracy at this most critical time.

There is no greater service to humanity than to help people live longer and healthier.

And we are bound by our oath ... and by our honor as physicians ... to always fight for what we believe is **right**.

The AMA is the strongest organization that has both the ability and the will to take on the crisis our health system faces.

We advocate for sustainable physician-practice economics, enabling us to implement delivery reforms that we know will improve care and lower costs.

The clock is ticking. We don't have time to waste.

The AMA ... our House of Delegates ... our Councils and our Sections ... bring experience and expertise that no one else can match. We have a powerful voice through the AMA and the view of our system no one else has – from inside the exam room.

I began my term as AMA president warning that our health system didn't respect physicians ... or patients ... or the values of medicine we're committed to uphold.

And after a year in office, I depart with a greater understanding of the depth of our country's challenges and the forces – political and otherwise – that threaten to derail our progress.

But I'm also as confident as I've ever been in the collective will of physicians ... and the House of Medicine ... to continue this fight. To come together on the issues that truly matter.

And as I stand here as your president, I'm reminded of the immense power in our collective hands.

Together we are not just stronger ... when we join hands and speak up for our patients ... we are unstoppable.

Thank you.

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