



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

July 10, 2013

The Honorable Jim McDermott, MD
U.S. House of Representatives
Washington, DC 20515

Dear Representative McDermott:

On behalf of the 110,600 members of the American Academy of Family Physicians, thank you for introducing the *Improved Health Care at Lower Cost Act* (HR 1487). I am pleased to inform you that the AAFP supports the legislation.

The bill would remove several obstacles that prevent hospitals and physician practices from sharing savings produced by improving their patient care. These obstacles are focused on preventing fraud, which is of course an appropriate goal. However, in doing so, these restrictions effectively reduce the opportunities for innovative arrangements between hospitals and physicians in private insurance plans that could produce savings and better care. A balance is needed and your proposed legislation would strike that balance.

Under HR 1487, the Centers for Medicare and Medicaid Services (CMS) in conjunction with the Office of the Inspector General would produce guidelines for programs developed by physicians and hospitals that would give incentives to reduce health care costs and improve outcomes. The gain-sharing and other programs that meet the CMS criteria would be exempt from anti-kickback and other federal anti-fraud sanctions.

Modeled on the *Affordable Care Act's* (ACA) Medicare shared savings program, this program could be helpful for small physician practices, since it does not require a significant capital investment nor an application process that would take significant staff resources. The bill should foster innovation and counteract some of the fee-for-service pressures to provide extra services. In the final analysis, the legislation could mean improved care and lower costs.

Thank you for your long-standing commitment to enhancing the delivery of health care and your leadership in promoting innovation and quality improvement. Please contact Kevin Burke, AAFP Director of Government Relations (kburke@aafp.org), if we can assist you on these important goals.

Sincerely,

Glen R. Stream, MD, MBI, FAAFP
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