AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

February 19, 2010

The Honorable Barack Obama
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President:

On behalf of the 94,600 physician and medical student members of the American Academy of Family Physicians, I am writing to commend your decision to convene a health care summit to pursue closure on health reform. Such action is essential to the American people.

The AAFP continues to support the enactment of legislation to provide Americans with access to affordable health insurance coverage; to implement workforce and payment reforms to help ensure a sufficient supply of primary care physicians; to create positive incentives for innovative models to improve the delivery of primary care, particularly the Patient-Centered Medical Home; to put a permanent end to the cycle of Medicare physician payment cuts created by the flawed Sustainable Growth Rate (SGR) formula; and to support alternatives to the current medical liability tort system.

Primary Care
We strongly urge that a health reform bill recognize the value of primary care with the creation of a 10-percent bonus Medicare payment for physicians whose health care services are more than 50 percent primary care. Additionally, Medicaid payment rates for primary care services should be at least equal to Medicare payment rates. These are important initial steps toward signaling to medical students that the federal government is committed to investing in primary care, and they help begin to rebalance the skewed system of provider payments.

The AAFP also urges the inclusion of the provision creating the Primary Care Extension Program. And we believe that the increased authority for CMS to identify misvalued physician services and make appropriate adjustments to the relative value of those services is appropriate and needed.

The AAFP also recommends that Medicare and Medicaid eliminate cost-sharing for preventive health services.

Sustainable Growth Rate Formula
Legislation to reform our nation's health system is incomplete unless it brings stability and predictability to the Medicare physician reimbursement system. Continued delay only makes fixing the formula more costly. AAFP supports the approach taken in the *Medicare Physician Payment Reform Act* (H.R. 3961), in which the current payment methodology is bifurcated into independent service

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targets. The bill would provide stable and positive payments, reflecting increases in practice costs for all physicians, with higher updates for primary care and preventive services using a methodology that promotes equitable compensation for both primary care and specialty physicians.

Patient Centered Medical Home
The AAFP also approves giving CMS the specific authority for Patient Centered Medical Home demonstration programs and supports creation of a Center for Innovation. However, we caution against limiting PCMH demonstrations/pilots to only certain populations, such as those with multiple chronic conditions. The medical home model is particularly effective in providing the prevention and wellness health care that many of the proposed changes to the health care system attempt to promote. We believe that the medical home is especially helpful in *preventing* chronic diseases, as well as comprehensively managing those chronic diseases that do emerge. Accordingly, we strongly recommend the elimination of the limitations on the medical home demonstrations in both Medicare and Medicaid, so that physicians can provide the best possible care to all of their patients.

Independent Payment Advisory Board
If legislation includes the creation of an Independent Payment Advisory Board (IPAB) we strongly urge that such a Board include at least one representative of the patient community and a primary care physician. Further, such a body cannot control health system costs if major segments of the health care system, like hospitals or hospice programs, are exempt from the scope of the IPAB's recommendations. We strongly urge that the IPAB oversight be inclusive of all segments of the health care system. Moreover, we believe that the recommendations of the IPAB must be subject to a public comment period before its decisions become final and before Congress is required to act on them.

Physician Workforce Development
To ensure that increased health coverage is not rendered useless with an insufficient workforce to provide care, the legislation must contain measures to increase the number of primary care physicians. To that end, innovation in the training of primary care physicians is essential. One innovative mechanism included in the legislation is the use of the Teaching Health Center (THC) to train primary care residents. The THC is a program to train primary care residents in non-hospital settings, like Community Health Centers, where most primary care is delivered. This valuable provision should be included in the final legislation and done so in a manner that allows for adequate and predictable funding for the THCs. This means that funding cannot be drawn from the funds that support Title VII Health Professions Grants, which is the only federal program that supports the education and training of primary care students and residents, and is a linchpin in developing primary care physicians. We strongly urge the legislation to adequately fund both programs rather than pit them against one other.

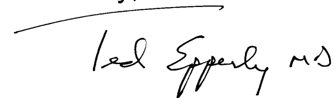
In addition, it is imperative that the final legislation includes several other items that support the development of the primary care workforce, like the establishment of competitive grants to medical schools for the development of curricula that integrate quality improvement and patient safety in clinical education; creation of the national health care workforce commission; the improvement of the primary care student loan
program; the increased funding for the National Health Service Corps' scholarship and loan repayment program; the reauthorization of Section 747 of Title VII training in family medicine program; and the distribution of unused residency positions to primary care.

Since training of 21st century primary care physicians is still being funded using a 1960s model, we recommend that CMS be given authority to pilot test the use of Graduate Medical Education funds for direct support of primary care residencies.

Additional Improvements
We believe Congress should finally eliminate the anti-trust exemptions enjoyed by the health insurance plans. These exemptions give the insurance companies unfair advantages in negotiating rates with physicians and in coverage decisions for patients. Finally, the health reform legislation should address the medical liability system in this country. At a minimum, Congress should provide sufficient funding for states to experiment with alternative dispute resolution systems.

We greatly appreciate your leadership in convening this health care summit and steering the nation toward a more patient-friendly, primary care based health system. Family physicians are convinced such a change will make health care in the U.S. stronger, more effective and more efficient.

Sincerely,



Ted Epperly, MD, FAAFP
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