



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

November 3, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20215

Dear Speaker Pelosi:

On behalf of the American Academy of Family Physicians, whose 94,600 members throughout the country are deeply committed to the improvement of the delivery of health care for their patients, thank you for your leadership in the development of the *Affordable Health Care for America Act* (HR 3962) and the *Medicare Physician Payment Reform Act* (HR 3961), introduced by Representative John Dingell and other health care leaders in the House. I am pleased to inform you that, after a review of the legislation, the AAFP Board of Directors has decided to support both bills. While there are several areas where we think these bills can be modified to improve care to our patients, they are consistent with the principles of reform that the AAFP believes are necessary to begin the long-term process of reforming health care in this nation.

Family physicians particularly appreciate that the revised legislation would provide health insurance coverage for some 96 percent of Americans and would reduce the federal deficit by \$30 billion. It is particularly noteworthy that the Congressional Budget Office has estimated that the revised bill would also lower health care costs overall by accelerating the applicability of the medical home and other health care delivery improvement models.

We greatly appreciate a number of improvements that have been made to the original version of the bill, HR 3200, especially:

- Making permanent the 5-percent bonus payment for primary care services (increased to 10 percent in underserved areas), changing the eligibility requirements for this bonus, and applying the bonus to all Medicare claims. We appreciate that the new legislation retains the provision to bring Medicaid payment for primary care services to at least Medicare payment rates and prohibiting the imposition of cost-sharing on recommended preventive services.

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- Broadening the eligibility for patients in the Medicare community-based medical home demonstration beyond high-need patients. We believe that all the medical home demonstration programs will show the best results if they are available to all patients so that physician practices can transform their delivery of health care without regard to segments of their patient populations. If the demonstration program needs data on how the medical home serves specific subpopulations, then segmenting the data from the program still will be available.
- Allowing the Secretary to negotiate payment rates for those physicians who choose to participate in the public plan option.
- Adding the Innovation Center to CMS, which will allow the agency needed authority to explore health delivery and payment options more expeditiously.
- Equalizing services in the Commonwealth of Puerto Rico and the U.S. Territories by allowing each territory to elect to participate in the Health Insurance Exchange.

We will continue to recommend improvements to the bill, based on several concerns our members have, including:

- Tort reform. We appreciate that the bill has been revised to establish a new voluntary program designed to encourage states to implement alternatives to traditional medical malpractice litigation. This is similar to the *Fair and Reliable Medical Justice Act*, sponsored by Senator Enzi of Wyoming, which AAFP supported several years ago. We continue to recommend that Congress consider other reforms, like caps on non-economic damages, that have proven effective in several states, including California.
- Additional investment in payments to primary care physicians. AAFP applauds the commitment in both the original and revised legislation to improved payment for primary care services. But given a decade-long declining trend in students choosing primary care, we will continue to request additional investments in this area. This is crucial for growing the number of medical students who choose primary care as their medical career. Increasing the number of primary care physicians is fundamental to building a health care delivery system that improves quality and cost efficiency based on the strength of the trusted relationship with a personal physician.
- Ensuring payment for health care services reflects the training and the expertise of the provider of those services. We believe that sections of the bill that adjust payments for non-physician providers should be examined with this principle in mind.

There is one important issue that will affect health reform significantly on which we strongly recommend that Congress not act. We are concerned that Congress not legislate changes to the 2010 Medicare Physician Payment rule that Centers for

Medicare and Medicaid Services (CMS) issued on Friday, October 30, except of course to remove the pending 21.2 percent cut in payments. The physician expense (PE) provisions of the final rule are based on a valid, scientifically rigorous survey, and CMS should be allowed to use that accurate and more current survey to determine physician expenses and ultimately payment rates.

In the short time that Congress has left to enact meaningful health care reform, AAFP will continue working with you and the Congressional committees to help make better health care, based on primary care, available to as many as possible in this country. Thank you again for being bold advocates for the future health care system that our country needs.

Sincerely,

A handwritten signature in black ink that reads "Ted Epperly MD". The signature is written in a cursive style and is positioned above a horizontal line that extends to the left.

Ted Epperly, MD, FAAFP
Board Chair