



AMERICAN OSTEOPATHIC ASSOCIATION

1090 Vermont Avenue NW, Suite 510, Washington D.C. 20005 ph 202 414 0140 | 800 962 9008

November 4, 2009

The Honorable Nancy Pelosi  
Speaker  
House of Representatives  
H-230, The Capitol  
Washington, DC 20515

Dear Madam Speaker:

On behalf of the American Osteopathic Association (AOA) and the 67,000 osteopathic physicians it represents, I would like to express our support for the comprehensive health system reforms set forth in the "Affordable Health Care for America Act" (H.R. 3961) and the "Medicare Physician Payment Reform Act" (H.R. 3962). Together, the interdependent policies contained in these two bills offer increased access to health care for all Americans, the promise of innovation in health care delivery models, a more robust physician workforce and a stable, equitable Medicare reimbursement system. Recognizing that the preservation of the physician-patient relationship is paramount to ensuring the success of broad systemic change, we applaud your commitment to the concurrent advancement of H.R. 3961 and 3962. We commend you on your tireless dedication to bringing about true health system reform through these transformational proposals.

#### Access to Affordable Health Care Coverage

The AOA believes that every American should have access to affordable health care coverage. We support provisions in H.R. 3962 that would preserve access to employer-sponsored health care. Since the majority of Americans receive their health care coverage through their employers, we firmly believe that individuals should be allowed to maintain their employer-sponsored coverage. The AOA has long advocated for comprehensive reforms of insurance practices that hinder access to obtaining coverage. Accordingly, we support provisions in this bill that would prohibit commercial insurance companies from excluding coverage for pre-existing conditions. Furthermore, we support reforms that would prohibit differential pricing based upon race, gender, or other demographic criteria that unnecessarily and unfairly limit access to care for those most in need.

The AOA is also supportive of provisions in the bill that would establish a health insurance exchange, whereby individuals could purchase insurance for themselves and their families. We applaud your recognition of the challenges facing the individual and small group markets and support the bill's provisions enabling small businesses to participate in the Exchange. With respect to the public plan option, the AOA is not convinced that a public insurance option is necessary to achieve our mutual goals. We have not taken a formal position on the plan contained in H.R. 3962. However, we are very appreciative of your recognition that participation in a public plan should be voluntary and in order to preserve a competitive marketplace, providers must be allowed to

negotiate payment rates under a public insurance option. We remain firmly opposed to any public plan option based on the Medicare program.

#### Innovations in the Health Care Delivery System

The AOA has long urged Congress to implement delivery system reforms that place a renewed focus on the importance of primary care. We believe, and evidence supports, that an emphasis on patient-centered primary care improves health outcomes and decreases the overall cost of health care. For these reasons, we are strongly supportive of provisions that would expand the patient-centered medical home and implement it fully in the nation's health care delivery system. We also view Accountable Care Organization models as a promising innovation that should be further examined and developed through the programs laid out in this legislation. The AOA strongly supports this move toward a model of coordinated health care delivery that is based on an ongoing personal relationship with a physician. We thank you for including provisions aimed at promoting primary care.

We share the House's commitment to ensuring that all insurers provide a broad range of medical services, including prevention and primary care, reflecting the critical importance of these services. This legislation effectively increases access to preventive care through the elimination of co-pays for these services. Additionally, the authorization of a personalized prevention plan and routine wellness visit under Medicare will not only encourage individuals to adopt healthier lifestyles, but also reinforce the continuous physician-patient relationship. In addition to the development of the patient-centered medical home, we view these standards for coverage as an essential step toward a model of health care delivery that is based on comprehensive, continuous primary care conferred by a physician-directed team. We urge the federal government to use its influence to encourage all health plans, whether public or private, to promote delivery models that place a greater emphasis on prevention and primary care services.

#### Ensuring a Robust Physician Workforce

We are pleased that the legislation includes provisions to reform the nation's graduate medical education system in order to foster a more robust physician workforce. We salute your decision to include provisions that would remove disincentives that exist regarding training in non-hospital settings. By clarifying in statute the definition of "all or substantially all" as it relates to the training costs of resident physicians in non-hospital settings, this legislation will foster training opportunities in outpatient practice settings and improve the quality of graduate medical education programs – especially for primary care physicians. This has been a long-standing priority for the AOA for several years. We are pleased that your legislation would allow teaching programs to utilize these settings unburdened by onerous regulations. Providing experiences in non-hospital settings for resident physicians, especially those in primary care specialties, increases the likelihood that they will seek practice opportunities in those settings. Additionally, we are supportive of provisions that would allow for the development and evaluation of new training models whereby community health centers and other care delivery sites would be allowed to participate in the training of resident physicians.

H.R. 3962 also addresses those disparities in physician payment that deter medical students from entering careers in primary care and general surgery, both of which face growing shortages over the next decade. We strongly support the establishment of permanent "bonus payments" of five percent to primary care physicians providing designated services and 10 percent to primary care physicians in health profession shortage areas. We are equally appreciative of bonus payments established for

general surgeons practicing in shortage areas. On top of the restructured payment formula contained in H.R. 3961, these bonuses offer a solid foundation upon which to build our physician workforce. Additionally, the AOA strongly supports provisions that would more closely align Medicaid payments to Medicare payment rates for primary care physicians. We believe that this provision will facilitate greater participation in the Medicaid program and increase access to these vital services. We applaud its inclusion.

#### Overhauling the Flawed Physician Payment System

The AOA firmly believes that Congress must seize upon this unprecedented opportunity to address the existing failures in our current health care system and to build upon its strengths. However, it is impossible to achieve meaningful health system reforms independent of establishing long-term stability in physician payment methodologies. The approach taken in H.R. 3961 whereby the current payment methodology is eliminated, permanently, is strongly supported by the AOA. We applaud your decision to establish a new methodology whereby physicians services are bifurcated into independent service targets. This is consistent with AOA policies. Under your proposal all evaluation and management services, along with designated preventive care services, would be reimbursed using a methodology that promotes their delivery and provides adequate compensation to both primary care and specialty physicians. Fundamentally flawed Medicare physician payment policies have stifled the prospects for reform for over a decade. In conjunction with the comprehensive reforms contained in H.R. 3962, we urge you to remain steadfast in your commitment to enacting long-term physician payment system reform now.

Madam Speaker, we applaud your leadership and dedication to improving the nation's health care system. We also must acknowledge the outstanding leadership of Chairmen Rangel, Waxman, and Miller, Stark, Pallone, and Andrews. We recognize the prodigious efforts required to produce legislation of this scope and magnitude and offer our sincere appreciation to all who were involved in its development.

In closing, the AOA would reiterate our sincere belief that the policies proposed in H.R. 3962, a majority of which are supported by the AOA, cannot achieve their full potential for the American people independent of the enactment of H.R. 3961. Physicians and physician services are the foundation upon which our health care system is built, and, today this foundation resembles quicksand versus bedrock. H.R. 3961 allows the health care system of the future to be built upon the bedrock of our nation's health care system – patients and physicians. The AOA and our members stand ready to assist you in securing the concurrent enactment of these vital and integrally linked health care reforms.

Sincerely,



Larry A. Wickless  
President

C: The Honorable Steny Hoyer, Majority Leader  
The Honorable John Boehner, Republican Leader

The Honorable James Clyburn, Majority Whip  
The Honorable Eric Cantor, Republican Whip  
The Honorable Charles Rangel, Chairman, Ways and Means Committee  
The Honorable Henry Waxman, Chairman, Energy and Commerce Committee  
The Honorable George Miller, Chairman, Education and Labor Committee