Protecting physician practices

AMERICAN MEDICAL ASSOCIATION

AMA advocating for you

The American Medical Association advocates on a broad set of issues that directly affect physician private practice, including physician payment, regulatory burdens, insurer practices, medical liability reform and other key issues. Our goal is to create a practice environment for physicians where their practices not only survive—but they thrive.

Physician payment

Implementation of the Medicare Access and CHIP Reauthorization Act (MACRA) through the Quality Payment Program (QPP) is a major focus. MACRA repealed the sustainable growth rate, and created a new payment system for physicians through two main payment tracks—qualified alternative payment models (APMs) or a modified fee-for-service option (the Merit-based Incentive Payment System, known as MIPS). Working with our medical society colleagues, we have attained several key implementation "wins" that will help physicians as their practices take on this transition.

- While MACRA reporting starts in 2017, physicians can **avoid penalties of up to 4 pecent** in 2019 by simply reporting one quality metric for one patient at some point this year.
- Previous performance measurement programs have been consolidated and simplified.
- The low-volume threshold that will exempt physicians from MIPS was adjusted down to $30,000 in annual allowed charges or 100 patients. About 65 percent of clinicians will be excluded from MIPS participation in 2017 due to the low volume threshold, being in a non-patient-facing specialty or because they participate in an advanced APM.
- Following years of advocacy by the AMA, the Centers for Medicare & Medicaid Services (CMS) has removed the computerized physician order entry (CPOE) and clinical decision support (CDS) measures from both the Meaningful Use program and the Advancing Care Information component of MIPS. Both CPOE and CDS functionalities are still included in electronic health records (EHRs), so practices may use the tools in ways that fit with their workflow, but CMS will no longer measure how physicians or their staff use the tools.

Looking ahead on this issue, the AMA will continue to produce tools and resources to help physicians. Learn more at the AMA's MACRA website (**ama-assn.org/macra)** and use the AMA Payment Model Evaluator to help prepare your practice.

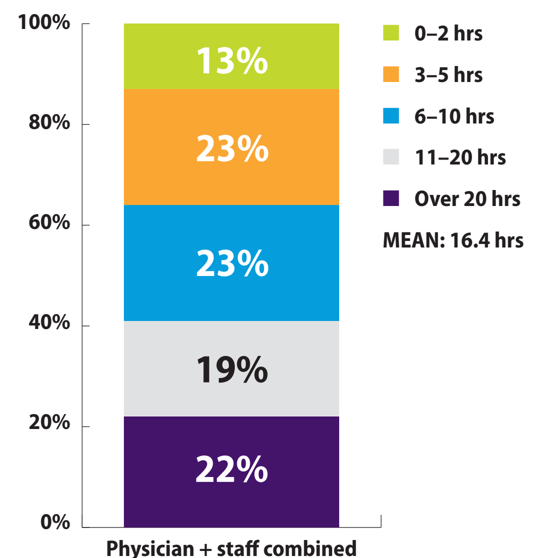
Regulatory relief

Physicians, especially those in small practices, are struggling with the administrative burdens stemming from governmental and insurer requirements. These administrative hassles lead to lost productivity, physician burnout and less time with patients.

For example, researchers have found that during the office day, physicians spend 27 percent of their total time on direct clinical face time with patients and more than 49 percent of their time on EHRs and desk work. After hours, physicians spend another one to two hours each night on clerical work, mostly related to EHRs.

The AMA is pushing back against overly onerous regulatory burdens that take time away from patient care.

- The AMA and 16 other health care organizations have developed principles that are the basis of a multi-pronged campaign to limit the use of prior authorization (PA) and utilization management. Just in the last year alone eight states have enacted laws that limit PA and step therapy, and insurers are starting to adjust their use of PA and utilization management.



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- On the federal level, the AMA has made further MACRA simplification its top priority for securing regulatory relief for all physician practices.
- In addition, the AMA is collaborating with state medical societies and national specialty societies on a regulatory relief agenda that addresses a broad range of issues, such as simplifying certification and documentation requirements, improving EHR usability and cost transparency, easing translation services requirements and much more.

Insurer practices

The AMA monitors health insurer behavior and aggressively advocates for legislative and regulatory fixes when problems arise.

- When four of the five largest health insurers tried to merge (Anthem-Cigna and Aetna-Humana), the AMA recognized the proposed mergers would be detrimental to physician practices. We led the charge to stop these proposed mergers—and won. The defeat of these mergers is a tremendous victory for our nation's physicians and patients. Anthem's own expert stated that the Anthem-Cigna merger alone would have reduced provider payments by **$2.4 billion**. According to an analysis provided to the AMA, this $2.4 billion would have included physician payment cuts of at least $500 million per year.
- Narrow provider networks and a lack of transparency about health insurance coverage are damaging physician practices and the patients they serve. Patients are confused about which physicians are in or out of networks, are worried about continuity of care and are receiving unanticipated medical bills that they do not understand. In response, the AMA has developed state model legislation and is pursuing strong network adequacy standards that require access to in-network physicians at in-network hospitals, transparency in out-of-network coverage, and fair out-of-network allowables. For example, states such as Connecticut and Maryland have recently passed legislation requiring greater regulatory oversight of provider networks, and many other states have introduced legislation. Moreover, the AMA, in partnership with state medical and specialty societies, is preventing implementation of insurer-crafted solutions that only exacerbate network and coverage issues, and make it difficult for physicians to negotiate fair contracts.

Medical liability reform

The AMA remains committed to advancing proven medical liability reforms while supporting the investigation of promising innovative reforms. We are advocating for legislation at the federal level to promote common sense medical liability reforms similar to those in California and Texas. We are also working at the state level on traditional reforms, such as Iowa's recently-enacted cap on noneconomic damages, as well as innovative reforms like establishment of early communication and resolution programs. Our AMA Litigation Center is actively defending medical liability reform laws that are challenged by the plaintiff's bar.

Physician-owned hospitals

Currently, federal self-referral limitations effectively ban construction of physician-owned hospitals and place restrictions on expansion of already-existing facilities. The Patient Access to Higher Quality Health Care Act of 2017, introduced by Rep. Sam Johnson (R-TX) and Senator James Lankford (R-OK) as H.R. 1156 and S. 113, respectively, would repeal these limits and level the playing field for physician-owned hospitals allowing them to remain competitive and continue their solid record of providing the highest quality health care to patients.

Independent Payment Advisory Board

A number of bills have been introduced to repeal the Independent Payment Advisory Board (IPAB). Although the controversial panel has never been formally appointed, the mandate to impose Medicare cuts through a fast-track process when total program spending exceeds a target amount remains. Actuaries have projected that recent Medicare spending trends will trigger the mandate in 2017, meaning that provider payment rate cuts effective in 2019 will likely be imposed unless Congress acts. The AMA supports legislation to repeal the IPAB provisions of the Affordable Care Act, which has been introduced by Sens. John Cornyn (R-Texas) as S. 260, and Ron Wyden (D-Ore.) as S. 251. In the House, Reps. Phil Roe, MD (R-Tenn.) and Raul Ruiz (D-Calif.) introduced H.R. 849.

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