



H.R. 3962, the “Affordable Health Care for America Act” AMA Perspectives

The American Medical Association (AMA) leadership has concluded that H.R. 3962, the “Affordable Health Care for America Act,” and H.R. 3961, the “Medicare Physician Payment Reform Act of 2009,” together offer a path toward reform that is consistent with the AMA’s principles of pluralism, freedom of choice, freedom of physician practice and universal access. Passage of these bills represents a critical step forward in the legislative process. It’s a step that will enable further refinement of policies and lays a solid foundation for achieving comprehensive health reform this year.

AMA principles for health system reform

The AMA’s seven guiding principles to achieve meaningful health system reform this year, include:

- Providing health insurance coverage for all Americans.
- Enacting insurance market reforms that expand the choice of affordable coverage and eliminate denials for pre-existing conditions or due to arbitrary caps.
- Assuring that health care decisions are made by patients and their physicians, not by insurance companies or government bureaucrats. This sacred bond should include the right of patients to privately contract with physicians, so that their health care choices are respected.
- Providing investments and incentives for initiatives that improve quality and enhance prevention and wellness.
- Repealing the Medicare physician payment formula—a formula that will trigger steep cuts and threaten access to care for senior citizens.
- Implementing medical liability reforms to reduce the cost of defensive medicine.
- Streamlining and standardizing insurance claims processing requirements to eliminate unnecessary costs and administrative burdens.

AMA-supported provisions in H.R. 3962

The AMA supported H.R. 3962 because it is consistent with the AMA’s guiding principles for health system reform.

- Coverage expanded to nearly all (96 percent) of legal, non-elderly U.S. residents
- Pre-existing conditions and lifetime limits on benefits eliminated
- Health insurance exchanges provide greater choice, affordability and transparency
- Advanceable, income-related subsidies expand affordability of coverage
- Continued positive incentives for Physician Quality Reporting Initiative participation rather than penalties
- Payments for primary care services increased under Medicare without budget neutrality cuts for other physicians
- Payments for primary care services increased under Medicaid with federal funding

- Expanded confidential physician resource use feedback reports rather than outlier penalties
- Pilot projects on medical home, accountable care organizations and other delivery reforms
- Increased funding for work force training programs
- Investment of \$22 million to develop quality and performance measures
- National prevention and wellness fund created and Medicare co-payments eliminated for covered preventive services
- Pilots to test alternative medical liability reforms
- Streamlined administrative processes and an 85-percent limit on insurance company overhead
- Federal Tort Claims Act liability protections extended to physicians providing uncompensated care at federally qualified health centers

AMA-secured improvements to H.R. 3962

After months of negotiations, the AMA secured several notable improvements in H.R. 3962, which include:

- Physician payment rates under public option determined through negotiation rather than set at or slightly above Medicare
- Clarification that physician participation in public plan is voluntary
- Comparative effectiveness language added clarifying that research results are not used to make more stringent coverage requirements for items or services
- Clarification that state caps and limits on attorney fees are not pre-empted by pilot programs
- Clarification that quality improvement programs and delivery system reforms shall not be used to establish the standard or duty of care in a medical liability claim or action

Provisions in H.R. 3962 benefiting physician specialties and their patients

As the nation's largest physician's group representing doctors from all areas of expertise, the AMA has supported physician specialty organizations in their successful efforts to include the following provisions that address the needs of their patients:

- **Reconstructive surgery.** Requires insurance companies to provide coverage for the treatment of a minor child's congenital or developmental deformity or disorder due to trauma, infection, tumor or disease.
- **Women's health.** Prohibits acts of domestic violence from being treated as a pre-existing condition.
- **Mental health.** Includes mental health and substance abuse disorders, including behavioral health treatments as part of the essential benefit package; includes two-year extension of 5-percent mental health payment add-on.
- **Home health.** Creates independence at-home demonstration project.
- **Emergency and trauma care.** Grants to strengthen emergency department and trauma center capacity and pilot programs for regionalizing care.
- **Pathology.** Extends payment for technical component of certain physician pathology services.
- **Colorectal cancer.** Waives screening tests regardless of coding, subsequent diagnosis or ancillary tissue removal.
- **AAA screening.** Waives Medicare cost sharing for abdominal aortic aneurysm screening.

AMA–opposed provisions in H.R. 3962

The AMA is continuing to actively oppose provisions that are inconsistent with its policies:

- A ban on physician ownership of hospitals
- A Government Accountability Office study of graduate medical education training and curricula
- Payment reductions for imaging services

AMA concerns with H.R. 3962

H.R. 3962 contains many positive elements that will improve the health system, however, the AMA has identified the following elements of concern within the bill and is working to address them:

- An uncertain future of health savings accounts (HSAs)
- Operational elements of public plan, including balance billing restrictions and lack of insurance reimbursement for patients seeking care from out-of-network physicians
- Sustainability and access issues resulting from Medicaid expansion to 150 percent of poverty level
- A need for enhanced medical liability reforms
- The need to expand investments to address specialty shortages in both primary and non-primary care specialties

Other national physician organizations on record in support of H.R. 3962

H.R. 3962 was supported not only by the AMA but also a number of other national physician organizations, including the following:

American Academy of Dermatology
American Academy of Family Physicians
American Academy of Ophthalmology
American Academy of Pediatrics
American College of Physicians
American College of Surgeons
American Osteopathic Association
American Psychiatric Association
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Thoracic Society
National Medical Association
Medical Group Management Association

As the House is expected to take up H.R. 3961 during the week of Nov. 16 and the Senate is crafting its final bill for consideration on the floor, the AMA encourages you to stay engaged in the discussion on health system reform.

Visit the AMA health system reform Web site at www.hsreform.org to learn how you can get the facts and get involved.

Together we are stronger.