

**Statement of the American College of Physicians  
On President Obama's Health Insurance Reform Proposal  
February 24, 2010**

The American College of Physicians, representing 129,000 internal medicine physicians and medical student members, believes that President Obama's health insurance reform proposal, released February 22, has many of the key policies needed to make health insurance coverage available to all Americans, to ensure that patients have access to a primary care physician of their choice, and to reform payment and delivery systems to achieve better value. Such policies, we believe, can provide a strong foundation for reaching agreement on a legislative pathway to enact comprehensive health reform without further substantial delay.

We remain hopeful that despite strong philosophical disagreements on some issues, members of Congress from both political parties will be able to find common ground on policies sufficient to ensure that all Americans have access to affordable health care. At the same time, there are several areas where we believe improvements should be made in the final legislation from the President's proposal.

**Coverage:** ACP supports the President's proposals to make affordable coverage available to the vast majority of Americans, increase security for those who already have coverage, and make coverage more affordable for small businesses, the principal engines of job creation in the United States.

Specifically:

- We support providing sliding scale tax credits to help businesses and individuals afford coverage
- We support making all persons up to 133% of the Federal Poverty Level eligible for Medicaid
- We support increased Medicaid "matching funds" to all states to finance most of the cost associated with such expansion
- We support reauthorization of the Children's Health Insurance Program
- We support requiring individuals to buy coverage or pay a penalty if they do not, with a hardship exemption
- We support requiring all health plans to provide affordable and non-discriminatory coverage to people with pre-existing conditions
- We support requiring all health plans to provide essential and evidence-based benefits including preventive services with no cost-sharing, with the ability to compete by offering more benefits
- We support requiring large employers to contribute to coverage or pay the costs associated with subsidies to their employees if they do not
- We support creation of health exchanges to offer one-stop-shopping for qualified health plans and to negotiate affordable premiums with participating plans

**Primary Care:** We are encouraged by the proposed policies to train more primary care physicians and to reform payment policies to support the value of primary care, but we believe improvements are needed to reverse an anticipated shortage of more than 40,000 primary care physicians for adults. Specifically:

- We support increased funding for the National Health Services Corps and Title VII health professions funding, but believe that the mandatory funding should be increased to the highest of the maximum levels in the House and Senate bills.
- We believe the final bill should include the House's provision to establish a loan repayment program for "front line" health professionals facing shortages.
- We support creation of a national workforce commission, but believe that the commission must include representation of primary care physicians.
- We support increased Medicare payments to primary care physicians, but believe that the President's proposal—which accepts the language in the Senate bill—should be improved by applying a bonus of at least 10% to all office, nursing home, home health care, emergency room and hospital visits by internists, family

physicians, pediatricians and geriatricians who bill at least half of the time for such primary care services. The current Senate language is flawed in that it would exclude hospital visits from the bonus and also exclude many primary care physicians who continue to see their patients in the hospital.

- We also believe that Medicaid payments for primary care services must be increased to at least the Medicare rates; Medicaid payment parity was included in the House bill but not in the Senate bill, nor it seems, in the President's proposal. Expanding Medicaid to cover people up to 133% of the FPL will not be effective if low payment rates make it impossible for many primary care and other physicians to be able to afford to treat them.

**Delivery and Payment System Reforms:** We support the President's proposals, which also are included in the Senate bill, to create a new Center on Innovation to accelerate pilot-testing of innovative payment and delivery system reforms, but we believe improvements are needed.

- We believe the proposal should be improved by mandated dedicated funding for two Medicare Medical Home pilots, as the House proposed. The Senate bill does not include such dedicated funding.
- We believe that the proposal to create an Independent Medicare Advisory Board needs to be modified to allow Congress to reject the Board's recommendation by a simple majority vote, to require adequate representation on the Board of primary care and other physicians, to require specific safeguards to ensure that the public has the opportunity to comment on the Board's recommendations before they are sent to Congress, and to include hospitals, hospices and other providers under the Board's authority to make recommendations.
- Although we support positive incentives for reporting on evidence-based quality measures, we do not support penalties on physicians who do not successfully report on such measures, as the Senate bill, and presumably the President's proposal, would require.
- While we support research by the Institute of Medicine on payment policies to reduce inappropriate regional variations in the cost and quality of care provided, we do not support imposing an untested "value" index adjustment on payments to physicians as the Senate bill, and the President's proposal, would do.
- We support the President's proposal to fund research on comparative effectiveness to inform clinical decision-making.
- We also believe that it is essential that Congress repeal the Medicare Sustainable Growth Rate (SGR) formula and enact a new, permanent update system that provides stable and predictable updates that reflect increases in physician practice costs.

**Medical Liability Reform:** We believe that the modest grant funding for state innovations in medical liability reform, as proposed in the President's plan and in the Senate bill, should be improved by providing incentives for states to pursue a wide range of alternative reforms including, health courts, administrative determination of compensation, early offers, and safe harbors for the practice of evidence-based medicine, as well as to include proven liability reforms like those enacted in California and Texas.

ACP looks forward to working with President Obama and the Congress to enact legislation that includes the key policies proposed by President Obama, consistent with ACP policies, to provide affordable coverage to all Americans, ensure access to primary care, and to accelerate testing of innovative delivery and payment reforms, while making needed improvements as described above.