



AMERICAN COLLEGE OF PHYSICIANS
INTERNAL MEDICINE | *Doctors for Adults*®

State of the Nation's Health Care 2014

Progress, Challenges and Opportunities:

Taking the Next Steps to Reduce Barriers to Access and Reform Medicare Physician Payments

Oral Remarks

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President

American College of Physicians

Good afternoon...

Thank you for joining us for this report from the American College of Physicians on the state of the nation's health care.

I'm Molly Cooke— president of ACP— and I am honored to be here today representing 137,000 internal medicine physicians and medical student members. ACP members are specialist physician uniquely trained to apply scientific knowledge to the care of adults across the spectrum from wellness to complex illness.

I'd like to thank my colleagues at the Kaiser Family Foundation for allowing us to use their facilities here in Washington, DC for today's briefing.

I am a practicing physician and a professor of medicine at the University of California at San Francisco and I am pleased to share ACP's recommendations for our nation's health care: improving the Medicare payment system and reducing barriers to health care, especially for our poorest residents.

2014 is a landmark (or watershed) year for American health care: for the first time ever, we can report that the United States is making historic gains in expanding health care coverage and reforming physician payments.

Let's start with insurance coverage.

Because of the Affordable Care Act, for the first time, no one will have to worry that they are on their own for their health care. The ACA assures Americans that their health insurance cannot be denied, taken away or over-charged because they have a pre-existing condition.

Because of the ACA... no American has to worry that their benefits in a given year or over a lifetime will be capped, putting them at risk of bankruptcy.

Because of the ACA... being a woman is no longer considered a pre-existing condition.

Because of the ACA... every American, including seniors on Medicare, will have guaranteed access to life-saving preventive services at no cost to them.

As with any major change, challenges will arise as health reform is fully implemented. As we face these challenges, we must not turn away from the once in a lifetime opportunity the ACA has created to address our health system's failings; we must confront them together and work constructively to analyze and solve them.

Two health reform-related challenges merit particular attention.

One is the growing number of health plans that limit patient choice of doctors and hospitals through narrow networks. Of course, the trend to narrower networks antedates the ACA, and is being seen in Medicare Advantage and large private health insurance plans. In addition, many plans are imposing highly restrictive pharmacy formularies that make it difficult for patients to get the medicines that work best for them. ACP believes that the federal government has a special responsibility to ensure that federally-qualified health plans, whether offered through the exchanges created by the ACA, or through Medicare Advantage, do not create unreasonable barriers to patients getting the medicines they need and appropriate care from physicians they know and trust.

To address these barriers, ACP today sent a letter to HHS Secretary Kathleen Sebelius, the National Association of Insurance Commissioners, America's Health Insurance Plans, and the Blue Cross and Blue Shield Association of America, proposing important improvements, focused on our concerns about the impact of narrow networks and restrictive drug formularies and other plan features that affect or could affect patient choice, access, and continuity of care. We call for a balanced, constructive and transparent approach allowing patients to make informed choices, promoting continuity of care, and ensuring fairness and due process for clinicians and patients, including strengthened federal and state regulatory oversight of qualified health plans.

A second critical coverage issue concerns some of the poorest Americans. These individuals and families were expected to benefit from the ACA but are being left out in 2014 because the states they live in have declined to accept federal dollars to expand Medicaid to everyone with an income up to 133 percent of the federal poverty level. This is not a failing of the ACA itself, but of those states that have turned their backs on their poorest residents.

Today, we renew our call on all states to do the right thing for their poorest residents by accepting federal dollars to expand the program to all persons with incomes up to 133 percent of the federal poverty level.

Almost as important, a key program to improve Medicaid enrollees' access to primary care physicians and medical specialists, called the Medicaid pay parity program, is set to expire at the end of 2014. Strong primary care improves quality and lowers cost; people with complex, chronic need access to the complete range of subspecialty physicians. The Medicaid pay parity program should be reauthorized by Congress and extended.

Now, let's turn our attention to the progress being made in reforming payments within Medicare. For the first time since Congress enacted the deeply flawed Medicare sustainable growth rate formula in 1997, and some 12 years since the SGR triggered the first scheduled cut in physician payments, Congress is on the

verge of passing bipartisan, bicameral legislation to repeal the SGR and accelerate the transition to value-based payment and delivery models.

The House and Senate Committees of jurisdiction have put forward bipartisan legislation to repeal the Sustainable Growth Rate and hasten our transition to value-based payment and delivery models. The cost to our federal budget of SGR repeal continues to drop. ACP and other physician membership organizations have provided extensive input into the bills and are energetically working to prepare our members for change.

Today, we urge the House and Senate leadership to take immediate action to push comprehensive Medicare physician payment reform across the finish line, before the next scheduled SGR cuts occur on April 1. Let's build upon the enormous progress that already has been made, so that 2014 truly is viewed as a watershed year in which we could honestly say that the state of the nation's health care is good and getting better, that millions of Americans formerly without insurance are moving into the ranks of the insured, and we are making serious progress on paying for value to patients in the Medicare system."

Now, Bob Doherty, ACP's senior vice president of governmental affairs and public policy, will tell you more about today's report and our recommendations.

After Bob's comments, we'll both be open to Q&A from you. Bob...