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AMA Annual Meeting Coverage

Delegates set strict standards in pay-for-performance programs

Principles are affirmed as the Senate is poised to address such a pay program for Medicare.

David Glendinning

AMNEWS STAFF

Chicago PAY-FOR-PERFORMANCE is coming whether physicians like it or not, but doctors are ready to reject any program that they say will harm the delivery of quality care.

Delegates at the American Medical Association Annual Meeting in June officially adopted principles and guidelines developed earlier in the year by an AMA working group on pay-for-performance, the concept of reimbursing doctors based on how well they provide care. The Association said viable programs must be voluntary and must focus on enhancing the quality of care and providing positive financial incentives to doctors without in-

terfering with the patient-physician relationship.

But delegates went one big step further than the AMA Board of Trustees recommended. Under the final policy

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PHOTO BY TED GRUZZINSKI

CHESTER C. DANEHOWER Jr., MD (at microphone), was among the physicians testifying about pay-for-performance during a reference committee hearing at the AMA Annual Meeting.

AMA to scrutinize usefulness of DTC drug ads

After years of debating if this form of promotion should be banned, the Association will study whether it can be recast to aid the patient-physician relationship.

Victoria Stagg Elliott

AMNEWS STAFF

Chicago SHOULD A PRESCRIPTION medication be on the market for a period of time before its manufacturer advertises it directly to patients? Should a direct-to-consumer ad always include data comparing its drug to similar ones? Should print ads be allowed and broadcast ones be banned? Or should DTC drug ads be banned outright? And what about

strengthening federal regulation?

These are all questions delegates wrestled with at last month's Annual Meeting of the American Medical Association. Banning DTC advertising has been debated many times before, but the focus this time appeared to be different — one that considers how this medium could be harnessed to be more informative and less deleterious to patient care.

"The horse is out of the barn, but I think we can do something to affect how this is done," said Kathleen A. Weaver, MD, an internist and delegate from Lake Oswego, Ore. "The promise of direct-to-consumer prescription drug advertising lies in its potential to educate consumers about medical conditions and the possibility of treatment, but this promise can on-

ly be fulfilled if consumers are given clear and accurate information."

Some physicians do see benefits. They say that DTC drug advertising helps to reduce the stigma associated with certain medical conditions and alerts consumers to treatments. These

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Delegates set strict standards in pay-for-performance programs

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the House of Delegates adopted, the AMA will "oppose private-payer, congressional or Centers for Medicare & Medicaid Services pay-for-performance initiatives if they do not meet the AMA's 'Principles and Guidelines for Pay-for-Performance.'"

Physician delegates said doctors must take a stand against future programs that purport to reward high-quality care but instead focus on cutting dollars. The time to take a stance

is now, they said, because Medicare already has launched a pay-for-performance pilot program that includes an incentive to reduce utilization. Also, several insurance firms have started initiatives that are wholly focused on costs, doctors said.

"The reality of it is that pay-for-performance is an effort by insurers and businesses to save money under the guise of quality of care," said Leon Reinstein, MD, a physical medicine and rehabilitation physician from Baltimore. He said any payer would be unlikely to offer additional money to the performance incentives, one of the requirements laid out in the AMA principles.

Missouri physicians already have seen the dark side of pay-for-performance under UnitedHealthcare's doctor rating program, said William Huffaker, MD, a plastic surgeon and AMA delegate from St. Louis. The insurer is accused of dropping physicians from its network if they incur too many expenses for the firm.

"The cost is the driving factor for this," he said. "They are not interested in quality, and we have to be aware that they want to save money."

This historical perspective demands that doctors take a strong position on pay-for-performance and combat any attempt to use incentives to subvert quality physician care, said Monica Wehby, MD, a neurosurgeon and alternate AMA delegate from Portland, Ore.

"We're already being forced into this [pay-for-performance] stuff whether we like it or not," Dr. Wehby said. "At some point, we need to stand up for ourselves and start to fight back. I'm getting kind of sick of people telling me how to practice medicine."

Digging in their heels

OTHER DELEGATES AND ASSOCIATION leaders warned that refusing to consider any program that does not adopt all of the principles amounts to drawing a line in the sand. AMA Secretary John H. Armstrong, MD, rose on behalf of the Board of Trustees in opposition to the amendment that added the stricter conditions of the group's support.

"This amendment substantively changes the direction of our Association when it comes to advocacy for pay-for-performance programs," Dr. Armstrong said. "We are concerned that this recommendation ties our hands, and we would strongly prefer that this recommendation not be adopted."

Debate over performance-based reimbursement on Capitol Hill will occur whether or not the AMA can embrace enough of the concept to negotiate, said William Golden, MD, an internist and delegate from Little Rock, Ark.

SETTING THE BOUNDARIES

The AMA will oppose any physician pay-for-performance program if it does not demonstrate that it is fair and ethical by meeting the following principles:

Ensures quality of care. Programs must focus on improving health outcomes, not reducing utilization.

Fosters the patient-physician relationship. Programs must allow doctors to exercise sound clinical judgment, not restrict patient access to needed care.

Offers voluntary participation. Programs must allow doctors to opt out without affecting reimbursement levels or other contractual obligations of payers.

Uses accurate data and fair reporting. Programs must use scientifically sound measures and allow physician input. Results must not be used capriciously in physician credentialing.

Provides fair and equitable incentives. Programs must offer new funds for positive incentives for physicians, not penalties.

Delegates want the AMA to take a stand against programs that focus on cutting dollars instead of rewarding care.

"We can give them a wish list to shoot for, but to require certain things will only delay the AMA's engagement and effectiveness," he said. "It will not delay pay-for-performance."

As Medicare officials look into ways to incorporate pay-for-performance into the seniors' health program, adopting an all-or-nothing stance could result in doctors being left behind in the regulatory setting as well, said Trent Haywood, MD, acting deputy chief medical officer at CMS.

"Our concern is that [the AMA requirements] may actually hinder the process so that physicians will not be in a leadership capacity," Dr. Haywood said. "It would actually sideline physicians."

The first legislative test

THE AMA WILL GET TO TRY OUT its new policy before long. At press time, Senate Finance Committee Chair Charles Grassley (R, Iowa) and Ranking Member Max Baucus (D, Mont.) were finalizing a bill based on pay-for-performance recommendations from the Medicare Payment Advisory Commission.

MedPAC called for a system in which 1% to 2% of Medicare physician payments would be withheld in a bonus pool for distribution to the top performers. Both the MedPAC framework and the Senate bill would not commit any new money to fund the bonus payments, congressional aides said.

The Senate bill's inclusion of reimbursement reductions for all doctors

who do not make the grade puts it in violation of two of the AMA's main principles. Under the principles and the associated guidelines, the Association requires that any initiative be completely voluntary and that it use additional money to ensure that it is based on rewards, not on penalties.

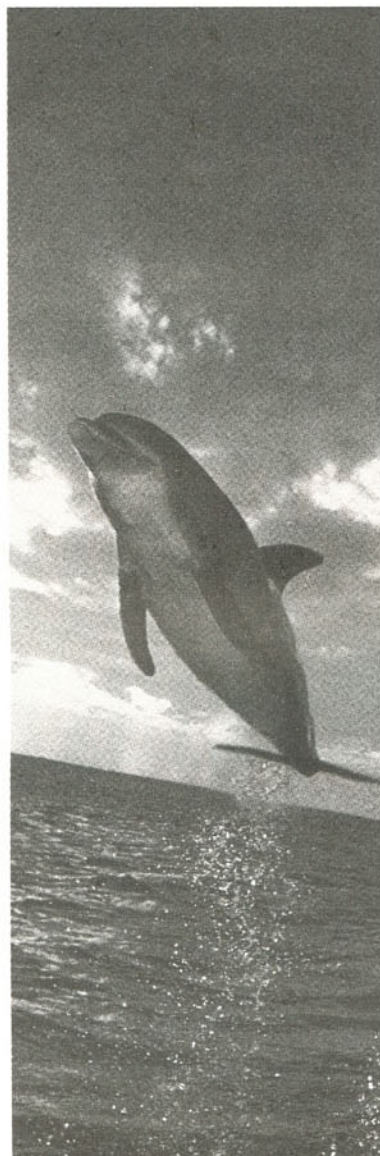
The Senate proposal would affect doctors, hospitals, insurers and several other participants in the Medicare program, aides said. While the plan wouldn't start adjusting payments for several years, physicians would be expected to put measures in place in the meantime to allow performance data to be collected from their practices.

Introduction of a bipartisan bill prior to the July 4 congressional recess indicates that the Senate plans to move on the legislation before appropriations bills dominate the agenda in early fall, according to a Republican leadership aide. The House Ways and Means Committee is working on its own pay-for-performance measure but has not indicated when it might be ready.

Some medical specialty societies already might be striking out on their own in response to the AMA's determined stance. In a letter sent to Senate Majority Leader Bill Frist, MD (R, Tenn.), and congressional committee leaders on the same day the House of Delegates approved the new policy, four of these societies adopted more of a conciliatory tone on the physician participation and funding issues.

"Although we would prefer that Congress provide additional [new] money to fund the pay-for-quality program, we can support, as a starting point, the recommendation from MedPAC that an initial pay-for-quality program be funded by setting aside a portion of the recommended inflation updates for 2006 and 2007," the groups wrote.

The American Academy of Family Physicians, the American Academy of Pediatrics, the American College of Obstetricians & Gynecologists and the American College of Physicians signed the letter to the lawmakers. ♦



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