



Association of Academic Health Centers®
Leading institutions that serve society

September 25, 2012

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Room 445-G
Washington, DC 20201

The Honorable Eric H. Holder, Jr.
Attorney General
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

Dear Secretary Sebelius and Attorney General Holder:

The Association of Academic Health Centers (AAHC) and its member institutions share your concern about fraud, waste, and abuse in our healthcare system, whether the fraud is perpetrated through the abuse of electronic health records or other means. Neither AAHC nor its members in any way condone the use of the practices leading to the outcomes mentioned in your letter. Electronic health records certainly have great potential to increase patient safety, quality of care, and efficiency, and AAHC is interested in working to maximize the opportunities EHRs afford the healthcare system and patients while minimizing the possible negative outcomes of using these tools.

The AAHC, representing more than 100 academic health centers nationwide, is dedicated to improving the nation's healthcare system by mobilizing and enhancing the strengths and resources of the academic health center enterprise in health professions education, patient care, and research. Our members comprise all the health-related components of a university, including health professions schools (e.g., medicine, nursing, dentistry, public health, pharmacy, and others), biomedical and clinical research programs, and a teaching hospital or health system.

Over the past several years, our member institutions have worked diligently to develop robust compliance and auditing functions in order to prevent, and if necessary, respond to instances of fraud, waste, and abuse. Chief compliance officers from our member institutions participate in AAHC's Forum on Regulation where, for quite some time, they have worked together to share best practices. In the past few years, the group has expressed concern about the availability of

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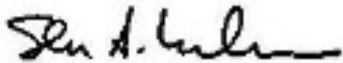
clear and useful guidance on the coding of evaluation and management services. Those concerns have only been exacerbated by the increased uptake of electronic health records and the rapid changes in the delivery system necessary to accommodate more sophisticated technology.

In addition, while AAHC fully supports and understands the need for the Centers for Medicare and Medicaid Services (CMS) to conduct audits to identify instances of improper billing, both intentional and inadvertent, our membership has expressed some concerns regarding the system of incentives for and oversight of Medicare Recovery Audit Contractors (RACs). AAHC applauds the efforts of CMS' Center for Program Integrity to develop risk-based assessment tools for the prevention of fraud, waste, and abuse, and hopes that those efforts can be expanded to the work of the RACs.

AAHC and its Forum on Regulation would be pleased to work with CMS and HHS to improve the available guidance and increase clarity for our members and the healthcare delivery system as a whole. To that end, we request a meeting with the appropriate officials to discuss these issues in more depth.

AAHC looks forward to working with you to better improve the nation's ability to prevent and combat fraud, waste, and abuse, as well as improving the quality and efficiency of the care provided at our nation's hospitals.

Sincerely,



Steven A. Wartman, MD, PhD, MACP
CEO and President
Association of Academic Health Centers

Cc: Sally A. Howard, Lynda Gyles, Gary Grindler