AMERICAN OSTEOPATHIC ASSOCIATION

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February 28, 2012

The Honorable Joe Pitts
Chairman, Energy and Commerce Subcommittee on Health
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member, Energy and Commerce Subcommittee on Health
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Pitts and Ranking Member Pallone:

On behalf of the American Osteopathic Association (AOA) and the more than 78,000 osteopathic physicians it represents, I want to express our support for the "Medicare Decisions Accountability Act of 2011" (H.R. 452). I urge the Committee to approve this important legislation during your markup this week.

As you know, sections 3403 and 10320 of the Patient Protection and Affordable Care Act (Public Law 111-148) creates the Independent Payment Advisory Board (IPAB), a 15 member panel appointed by the President and confirmed by the Senate charged with, beginning in 2015, extending Medicare solvency and reducing the growth in spending through the implementation of a spending target system and a fast-track legislative approval process.

We are concerned that, by removing Congressional authority over the Medicare payment system and placing such unprecedented authority in an unelected body, quality care for our patients will be jeopardized. We are equally concerned with the potential that physicians may be subjected to a double jeopardy in Medicare payments if IPAB cuts are coupled with those projected under the current sustainable growth rate (SGR). The current instability and inequities in Medicare physician payments is hindering access to care for millions of Medicare beneficiaries. IPAB would only exacerbate this problem.

The AOA believes that the most promising pathway to securing the long-term stability of the Medicare program is through changes in the delivery system, specifically, changes that promote continuous and comprehensive care from a primary care physician. Simply applying a "target" or "threshold" – as suggested by the IPAB – masks the underlying problems that are driving increased spending. Additionally, these types of volume or spending targets are actual disincentives to innovation in the health care system – so besides being arbitrary, they actually hinder innovation and improvement in care delivery.

We do not believe that the United States Congress, an elected body, should cede its responsibility to a body of unelected officials lacking accountability. Additionally, IPAB replaces the transparency of Congressional hearings and debate with a less transparent process. Denying Medicare beneficiaries and providers this transparency greatly limits our ability to aid in development and implementation of new Medicare payment policies. This would also limit Congress' ability to collaborate with the Centers for Medicare and Medicaid

Services (CMS) to create and implement demonstration and pilot projects to evaluate new and innovative payment. Such a move would prolong the dysfunctions inherent in our current health care system.

The AOA believes the work of the Center for Medicare and Medicaid Innovation (CMMI) is extremely important. In the past two years, CMMI has begun a comprehensive review of several delivery system reforms that hold great promise in both aligning resources and improving the quality of our health care system. We urge continued support for CMMI and other programs that allow for innovation in care delivery as the means of addressing rising costs.

Again, thank you for holding a markup on this important legislation. The AOA and our members stand ready to work with you to secure its enactment into law.

Sincerely,

Martin S. Levine, DO
President

C: Members, Energy and Commerce Subcommittee on Health