



Joint Surgical Advocacy Conference

Grand Hyatt Washington Hotel

Washington, DC

March 22 – 24, 2009

Surgery's United Agenda for Medicare Physician Payment Reform

Surgery's Top Priorities

The surgical community stands united in the effort to bring fundamental and long-term change to the Medicare physician payment system. The House of Surgery has three top priorities for this effort:

1. **Repealing** the current sustainable growth rate (SGR) and establishing a new baseline for the physician payment system;
2. **Replacing** the current SGR with a system of multiple conversion factors; and
3. **Ensuring** that any additional payments that are made to primary care physicians are not budget neutral within the physician payment pool.

In addition to the above priorities, the surgical community has developed common positions on a number of key issues.

Primary Care and the Medical Home

The surgical community supports the medical home demonstration project. However, it is important to wait to see the results from the demonstration project before supporting continued expansion. If the medical home model shows cost savings and value, these savings should stay within the medical home. The surgical community also believes that medical homes can be led by non-primary care physicians. The medical home should always ensure that patients have continued access to high quality surgical care. Finally, any additional payments to primary care physicians, to fund the medical home or for any other reason, should not be budget neutral within the physician payment pool.

Quality Improvement Initiatives

Surgery understands that all segments of the health care population find a great deal of value in the collection and analysis of physician quality data and that it is important to provide patients, the public and physicians with accurate information on physician quality. The surgical community believes strongly, however, that the current Physician Quality Reporting Initiative (PQRI) is not working, and therefore needs to be drastically reworked. The program needs to provide physicians with access to their data in a timely manner and it must have a reasonable appeals process. Both the timely access and the reasonable appeals process are missing from the current program. Due to the significant problems with the current PQRI program, public reports using this information should be delayed until further evaluation and improvements occur. The surgical community also believes that physicians participating in clinical database and registry programs should continue to be eligible for PQRI bonus payments. Additionally, further federal funding to develop clinical data registries and other quality improvement tools is necessary.

Finally, in addition to moving to a program that is based on clinical outcomes, the program needs to continue to be voluntary and provide positive incentives for participation.

Performance Measurement and Transparency

The surgical community believes performance measurement should be non-punitive and transparent. There needs to be meaningful and accurate clinical outcomes and processes of care data generated by physicians before performance measurement can be successful. In addition, any performance measurement system must provide data to providers on how they compare with their peers – this should be done in a confidential and non-punitive manner. Payer data should also be transparent. Finally, there should be no government mandates until a system is appropriately tested.

Comparative Effectiveness

The surgical community embraces the need for comparative effectiveness research. Any comparative effectiveness research should be a tool to improve care on a per patient basis by providing information on clinical value of varying treatments and interventions. Finally, comparative effectiveness research should focus on communicating research results to patients, providers and other decision-makers, and should not be used for determining medical necessity or making coverage and payment decisions or recommendations.

Innovative Payment Options

Surgery supports the development of new innovative payment models that involve the patient, physicians and payers. Surgeons support the concept of incentive payment or shared savings programs between hospitals and physicians and encourage the removal of any legal barriers that may restrict these types of arrangements. In addition, the surgical community is supportive of pilots and demonstration projects to determine if bundling payments is an appropriate mechanism to improve the Medicare payment system. Physician payment mechanisms that move beyond the current system of payment for more services or more complex services should be explored.

Physician Ownership

Physicians should have the ability to responsibly and professionally own, either individually or through a joint venture (with hospitals and/or other physicians), facilities, equipment, and services that appropriately provide high quality care for patients. Physicians should be obligated, however, to disclose this ownership information to the public.

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