American Academy of Dermatology and AAD Association

Physicians Dedicated to Excellence in Dermatology™

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November 6, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-230, The Capitol
Washington, DC 20515

The Honorable Henry A. Waxman
Chairman, House Energy and Commerce Committee
U.S. House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

The Honorable Charles B. Rangel
Chairman, House Ways and Means Committee
U.S. House of Representatives
2354 Rayburn House Office Building
Washington, DC 20515

The Honorable George Miller
Chairman, House Education and Labor Committee
U.S. House of Representatives
2205 Rayburn House Office Building
Washington, DC 20515

Dear Madam Speaker, Chairman Rangel, Chairman Waxman, and Chairman Miller:

On behalf of the American Academy of Dermatology Association (AADA), which represents nearly 12,000 dermatologists across the country, I am writing to express our support for many of the policies set forth in the H.R. 3961, the Medicare Physician Payment Reform Act (MPPRA) and H.R. 3962, the Affordable Health Care for America Act (AHCA). AADA's support is predicated upon its strong belief that the concurrent passage of these inextricably linked bills is critical to rebuilding the foundation of our nation's reformed health care delivery system.

The AADA supports meaningful and comprehensive health system reform that achieves the dual goals of improving the health care delivery system and providing coverage for more Americans. In particular, the AADA is committed to a patient-centered approach to health care delivery. We support the retention of a patient's right to choose their dermatologist and other health care providers. A majority of the AHCA's policies embody rational changes to the health care delivery system that will help dermatologists continue to provide high quality care.

Most dermatologists are either solo practitioners (40% of our membership) or in small group practices (an additional 33% are in groups of 2-5 physicians). While we explore new ways to help physicians in these small practice settings work more collaboratively within the larger system, we must not unduly burden them with unproven or untested changes that might have unintended consequences or drive older physicians from practice, exacerbating our workforce shortage and hindering patient access to care. To that end, we are appreciative that your legislation does not seek to immediately impose a new physician payment model. Rather, it takes logical steps to study different models in a collaborative atmosphere with physicians as partners in reforming the delivery system.

The policies contained in MPPRA recognize that the benefits of insurance coverage for more Americans will require a strong, vibrant physician workforce. The legislation aggressively addresses one of the AADA's top legislative priorities for the better part of a decade – addressing the sustainable growth rate (SGR), a fundamentally flawed formula which has resulted in complex Medicare physician payment issues and threatens patient access to quality dermatologic care. Eliminating the draconian payment cuts facing physicians, and with it, the need for annual short-term fixes to the Medicare physician payment system, is a positive step toward eliminating the SGR altogether. Moreover, the legislation recognizes the need to bolster primary care services without exacerbating issues within specialty care.

A stable physician payment system allows and encourages physicians to plan ahead for practice innovations, health information technology and other investments, and personnel decisions that are fundamental to improved care coordination and chronic disease management – the very underpinnings of AHCA's policies.

Clearly, given that the policies contained in AHCA and MPPRA are interdependent; it is crucial that these bills are passed at the same time and implemented cohesively. As this legislation and process move forward, the Academy looks forward to working with you to ensure that the provisions related to quality improvement, health care delivery models, physician payment, physician-industry relationships, and physician workforce issues remain consistent with our principles and our shared goal of providing high quality health care to Americans. The Academy will work with you to ensure the relevant physician provisions in these House bills prevail in a conference with the Senate. However, we still have some concerns regarding the scope of the Institute of Medicine study of geographic variation and high-value health care. In addition, we would hope that the medical liability reform provisions would be strengthened and expanded.

The challenges facing the overall Medicare program are complicated and carry significant fiscal implications. The AADA believes it is incumbent upon every health care provider to commit to being a responsible steward of the nation's

health care resources. We must find a balance between fiscal prudence, deliverance of high quality care and preservation of the trusted physician-patient relationship.

Please feel free to contact John Hedstrom (jhedstrom@aad.org) in the AADA's Washington office at (202) 842-3555.

Sincerely,

David M. Pariser, MD, FAAD
President, American Academy of Dermatology Association