House Energy & Commerce Subcommittee on Health
Additional Questions for the Record
Submitted on Behalf of: Geraldine O'Shea, DO
American Osteopathic Association

The Honorable Joseph R. Pitts

1) So do you understand that endorsing OCO is effectively endorsing an unoffset bill?

Chairman Pitts, The American Osteopathic Association (AOA) is aware that the Committee's position is that, by CBO's definition, use of the Overseas Contingency Operations (OCO) fund would be considered an endorsement of an unoffset bill. AOA's approach to SGR repeal has been consistent and clear for over a decade. We remain eager to find a viable approach to funding permanent physician payment reform.

We respect and appreciate the Committee's role and assistance over the years in patching the formula; however, the solution remains in doubt. We do not appear any closer to a full repeal than we were when this issue first arose despite the great bipartisan, bicameral work your Committee was instrumental in toward developing a strong policy. Given this lasting uncertainty and the division among Members of Congress on the use of OCO to repeal the SGR as well as many other offset options, we are seeking to maintain any and all options to repeal the SGR, without unduly harming beneficiary access.

In this same hearing we were delighted to hear several Committee members posit other options, including seeking offsets from outside of the health care system to pay for SGR repeal. As you know, most of the patches have been funded by taking funds from other parts of the health care system. We laud you for your work on SGR and offer to work with you as partners in finding a solution, hopefully a creative one, to finally resolving this issue to everyone's mutual satisfaction.

Additionally, I would pose to you the question as to why a partially or fully unoffset bill is not an option when we have seen other costly health care legislation move without an offset in this Congress? In this particular case, we believe that through the implementation of the structural reforms included in the bipartisan, bicameral policy, systematic savings will ultimately be created over time, and should not be discounted. The financial efficiencies gained through higher quality care delivery can be reinvested into the Medicare program.

2) Please outline in detail what your organization has been doing since January 1, 2015 to support a permanent SGR fix with bipartisan offsets including actions such as:
    a. Publicly endorsing specific, concrete bipartisan offsets
    b. Meeting with White House officials on the need to repeal SGR this year and pay for it with bipartisan offsets
    c. Meeting with House Democrats on the need to repeal the SGR this year and pay for it with bipartisan offsets

d. Meeting with Senate this year on the need to repeal the SGR this year and pay for it with bipartisan offsets
e. Meeting with Senate Democratic leadership on the need to repeal the SGR this year and pay for it with bipartisan offsets
f. Designing or implementing public advocacy efforts to inform consumers and seniors on the need repeal the SGR this year and pay for it with bipartisan offsets

The AOA has remained active since the start of this Congress on all fronts, as Medicare physician payment reform is our top priority issue. Our members demand it as not only impending cuts hang over our heads, but we are unable to transform our practices to adopt new innovations in care delivery due to the uncertainty created by our current system.

Specifically we have:

a. Chosen not to endorse specific offsets as most would encourage funding fights between Medicare providers, creating a ripple effect of potentially unknown ramifications within the Medicare program by targeting specific beneficiaries, providers, and/or programs. We understand that Congress ultimately is the source for funding Medicare offsets and offer to work with you to offset the package, and continue to believe Congress has the ability to choose to look beyond Medicare offsets;
b. Participated in Department of Health & Human Services Provider Roundtables and raised the issue with provider outreach staff;
c. Met with and activated our physician grassroots network to relay the message to Republican and Democratic House offices of the importance of advancing payment reform this year in a bipartisan manner;
d. Met with and activated our physician grassroots network to relay the message to Republican and Democratic Senate offices of the importance of advancing payment reform this year in a bipartisan manner;
e. Met with Sens. Reid, Murray, Schumer, and activated our physician grassroots network to relay the message to leadership offices of the importance of advancing payment reform this year in a bipartisan manner; and
f. Continue to direct patients and consumers to EveryPatientCounts.org for education about the importance of addressing this important issue; however, we do not discuss the issue of offsets with that audience.

<u>The Honorable Elliott Engel</u>

3) Can you elaborate on why it is urgent for physicians and patient access to care that Congress reform the Medicare reimbursement system now and how another patch would be detrimental to our Medicare program?

Representative Engel, I believe it is urgent to reform the system now because first and foremost our patients deserve it. Our current system, based on fee-for-service, and arbitrary spending targets is antiquated. The system does not incentivize the quality care that I, my fellow osteopathic~~,~~ and allopathic~~,~~ colleagues were trained to deliver. The system needs more than an

annual "patch" or "fix;" rather, it needs true reform – the bipartisan, bicameral package from the 113th Congress provides that as it transforms our system to one that supports and promotes prevention, wellness, and coordinated, quality care.

Equitable compensation for Osteopathic physician lead, team based care requires investment in educated health care teams and facilities. The current payment system prevents this type on innovation due to unpredictability, and more so payment design based on volume and procedures.

The urgency to reform the system is palpable because we know that another patch, number 18, will lead to 19 and then to 20. This is not sustainable for physicians or our seniors, and it does not promote growth of the Medicare program into an improved system. Another patch will result in my colleagues questioning whether they can continue to accept Medicare patients, whether they must limit the entry of new Medicare patients into their practice, whether they see fewer Medicare patients each day, or whether they leave medicine entirely. We are on the cusp of a disaster, and action must be taken before it is too late.

Positive action to reform the Medicare physician payment system will enable physicians across the country to transform their practices to patient-centered medical homes (PCMHs), to accountable care organizations (ACOs), and/or to adopt other new innovative models for delivering high-quality patient care. A reformed system will provide relief from the administrative burden of currently disjointed quality reporting programs, which will finally be combined into one, freeing up valuable physician time to spend more with our patients. Most importantly, these vital reforms, to name a few, will enable physicians to deliver health care, not just individual health care services.

The Honorable Doris O. Matsui

4) I believe that a more holistic approach to patient care, including strong preventive care, saves costs and lives.
    a. Please discuss the benefits of a holistic approach to care. Please include any comments you have about the savings that can be achieved, especially savings due to prevention, which are not generally taken into account in budget estimates.

Representative Matsui, osteopathic physicians are trained to consider the health of the whole person and use our hands to help diagnose and treat their patients. We focus on holistic, preventive health care and receive extra training in the musculoskeletal system and the interrelationship of the body's nerves, muscles, bones, and organs. This approach to care benefits our patients as we are not only treating the symptom but beginning a dialogue towards achieving the goal of wellness.

From our first week of osteopathic medical school, we begin with a hands-on approach as we learn about how every system in the body is interconnected. Osteopathic physicians are also trained to take care of patients not just problems. We discuss with our patients and take into

account environmental and socioeconomic factors and their impact on a patient's health, well-being, and ability to care for themselves. The combination of the aforementioned factors allows us to be uniquely positioned to identify such factors, which might be overlooked in a common exam room if a physician is narrowly focused on the symptom, and not the whole person.

In doing so, it is possible to achieve savings through the use of prevention, wellness, and osteopathic manipulative treatment (OMT) in addition to employing traditional tools available to all physicians. For example, many pain conditions have a significant mechanical component. An osteopathic physician is trained to recognize and treat that component with osteopathic manipulation, which in many cases may eliminate the need for costly diagnostic procedures (such as MRI, CT scans, etc.). This approach may also reduce or eliminate the need for prescription medications. Osteopathic physicians have all these diagnostic tools and treatment options at their disposal, and have the comprehensive training to enable them to choose in the manner that is best suited and most cost effective for their patients.

Our research suggests empathy and "good will" that may lower costs because of our patient questioning/listening/interaction, and in my experience training residents, fewer unnecessary costly diagnostic testing. Additionally,in a country with mental health challenges, our training to treat the whole person involves the mind, body, and spirit. Studies show addressing psychosocial and socioeconomic issues reduce health care, judicial, and societal costs. We provide modern health care with a personal touch that requires a new payment model for enhanced engagement and strengthening of the patient-physician relationship.

b. The SGR repeal and replace policy presents the first real opportunity for physicians to earn substantial bonuses for high quality of care. Can you comment on the effect this could have on the health care delivery system?

The bipartisan, bicameral policy absolutely presents a great opportunity for a shift from a system based upon quantity to one incentivizing quality patient care. Positive action to reform the Medicare physician payment system will enable physicians across the country to transform their practices to patient-centered medical homes (PCMHs), to accountable care organizations (ACOs), and/or adopt other new innovative models for delivering high-quality patient care. A reformed system will provide relief from the administrative burden of currently disjointed quality reporting programs, which will finally be combined into one. Most importantly, these vital reforms will enable physicians to deliver health care, not just individual health care services.

Enabling physicians to adopt new models of care, and to not be overly burdened by disjointed quality reporting programs will benefit the Medicare system overall. Health care will be delivered in the manner in which I was educated and trained – focused on care coordination, prevention, and wellness. The system will also see a shift of physicians out of traditional fee-for-service into innovative models, many of which are already achieving cost savings, better outcomes, and improved patient satisfaction in the private market.

The Honorable Ben Ray Lujan

5) We need to deal with this now, and I support the bipartisan/bicameral SGR structural reform that was crafted last Congress that is supported by both provider and beneficiary groups.
    a) In New Mexico there is a shortage of primary care physicians. Can you speak to how delivery system reform is connected to SGR repeal? How do you see the move away from fee-for-service impacting doctors' participation in Medicare?

Representative Lujan, repeal of the antiquated sustainable growth rate (SGR) formula is the necessary first step in delivery system reform. The SGR serves as an anchor on the Medicare program, which does not incentivize or allow true innovation. Repeal of the SGR allows for a transition from a system based upon fee-for-service to one that embraces improved payment models, including the patient-centered medical home (PCMH), accountable care organizations (ACOs), bundled payments, and other advanced models still to be developed. Many of these programs could be designed to prioritize primary care, especially in areas that have shortages.

A move from fee-for-service and the SGR will allow for stability and predictability in payments for the first time. Physicians will no longer be concerned with annual, or even sometimes monthly, cuts looming as they try to care for our seniors while operating a business. The newly reformed system as proposed in the bipartisan, bicameral proposal would compensate, not just penalize, physicians for the quality of care they provide and would ease some of the administrative burden by combining the currently disjointed quality reporting system.

Most importantly, these structural reforms would allow physicians to do what we do best – deliver high-quality health care to our patients, not just unique health care services. All of these factors in the current system present barriers to physicians entering into, or being able to operate independently in, primary care.

    b) Given all that we know about the impact of primary care on quality, patient satisfaction, and costs, what more do you believe we should do to support and promote our primary care physicians?

I and the AOA believe a strong foundation of primary care is vital for the best health care delivery system. Our commitment to primary care is evident with over 60 percent of our physicians practicing in primary care specialties. We believe primary care should be incentivized by:

- Extending the Medicare Primary Care Payment Incentive Program, which is scheduled to expire at the end of this year. The five-year program as authorized under the Affordable Care Act (ACA) is providing qualifying primary care physicians with a 10 percent bonus payment for the primary care services they deliver.
- Reauthorizing the Medicaid Primary Care Parity Payment, which expired at the end of 2014. This two-year program authorized under the ACA paid qualifying primary care physicians at Medicare levels for Medicaid primary care services they provided. This incentive payment was shown in a recent Urban Institute report to decrease wait times to see Medicaid providers.

- Reauthorizing and stabilizing funding for the Teaching Health Center Graduate Medical Education Program (THCGME). This five year program authorized under the ACA is scheduled to expire at the end of FY 2015. Currently 60 programs, training approximately 600 residents would be impacted by the expiration of funding. The program trains primary care residents in community-based settings, and remains in jeopardy without Congressional action to reauthorize the program and maintain the per resident amount (PRA) funding at $150,000 per resident.

Thank you for the opportunity to provide comments on these additional questions. The American Osteopathic Association and I look forward to working with you in the weeks ahead to resolve this issue once and for all – the time is now.