



AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

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AAOS Principles of Health Care Reform and Specialty Care

As the debate on health care reform continues in America, the American Association of Orthopaedic Surgeons (AAOS) believes preservation of the autonomy of the physician-patient relationship to be of the highest priority. Though challenges and opportunities are many, each part of the solution must ensure patient-directed physician empowerment to deliver individual value, overall quality, and systemic efficiency. All Americans are or will become patients. Putting aside the scope of the current legislation being considered in the United States Senate, implementing reforms that reflect the principles below will serve this and future generations with meaningful coverage and real access for all.

Easing the Regulatory Burden to Protect Smaller Practices and Ensure Access to Care

Physicians continue to face undue regulatory burdens that create financial and administrative difficulties for all practices, but these burdens are particularly problematic for those trying to maintain medium, small, or solo practices. Government regulations must not impede a patient's ability to have access to timely, high quality, affordable specialty care, including the physician of their choice. It is time for a reconsideration of the regulatory environment.

Medical Liability Reform

Meaningful medical liability reform at the federal level and/or constitutionally sustainable state medical liability reforms are a necessary component of any viable health care reform proposal. It is estimated that 40 percent of physicians have chosen to limit their practice due to liability concerns.ⁱ Patients in need of high-risk services, uninsured patients, and patients whose insurance minimally reimburses specialists are most affected. Absent liability reforms, billions of dollars will continue to be wasted on defensive medicine, which compromises quality and drives up the cost of health care.

Reporting Requirements and Mandatory Delivery Reform

Voluntary episode-of-care pilot projects and other voluntary delivery reform programs are important. However, the Centers for Medicare and Medicaid Services (CMS) has implemented a number of new mandatory payment rules that greatly impact delivery of care. For example, mandatory participation in the Comprehensive Care for Joint Replacement (CJR) model is a flawed approach to health care reform that will likely result in serious unintended consequences for Medicare beneficiaries and physicians. Mandatory participation in the Part B Drug Payment Model as proposed by CMS has also garnered significant opposition. Additionally, recent draft regulations seek to implement the most sweeping changes to the Medicare payment system in over twenty years.

The current practice environment is placing pressures on practices of all sizes. However, many of these changes disproportionately impact solo, small, and even medium-sized practices across the country. Studies indicate that physicians are leaving private practice in increasing numbers and young physicians today are more than 30 times likely to choose hospital employment over solo practice.ⁱⁱ As policymakers consider health care reforms they should ensure unencumbered access to care, which includes addressing policies in a way that will safeguard the viability of all practice types and sizes.

Health Information Technology and Infrastructure Readiness

Health information technology (HIT) has the potential to enhance the quality of care for all patients. However, the current HIT infrastructure does not provide for efficient electronic exchange of patient information. Current HIT platforms hinder – rather than help – physicians’ abilities to provide high-quality care to their patients. Existing infrastructure problems must be addressed before penalizing providers and threatening care to patients.

Independent Payment Advisory Board

The IPAB is mandated to include 15 unelected, unaccountable members. Fewer than half of the IPAB members can be health care providers, and no member can be a practicing physician or otherwise employed. AAOS opposes the IPAB and believes such a group should not be making these spending decisions. Why IPAB Repeal Matters: Not only does the creation of The IPAB—which is mandated to include 15 members, of which no more than half can be physicians and none can be currently in practice—severely limits congressional authority and eliminates the transparency of hearings and debate and precludes the meaningful opportunity for stakeholder input. Further, requiring the IPAB to achieve savings in one-year increments is not conducive to generating savings through long-term delivery reforms. In addition, providers representing roughly 37 percent of all Medicare payments, including hospitals and hospice care, are exempt from IPAB cuts until 2020; thus, IPAB-directed cuts will disproportionately fall on the non-exempt providers and suppliers, including orthopaedic surgeons.

Empowering Individuals to Access Specialty Care of Their Choice

Patient empowerment and individual responsibility are necessary components of health care reform. Healthy choices should be recognized and preventive care should be promoted. Further, timely, unencumbered, affordable access to appropriate specialty care is paramount to achieve quality health care for all patients. Patients must have access to the right treatment, by the right health care professional, at the right time.

Alternative Payment Models and Physician-Owned Hospitals

All patients have the right to receive safe, high quality, and efficient care in the facility that best addresses the patient’s needs. All stakeholders should have the ability to develop and evaluate payment methodologies that will incentivize coordination of care among providers and help curb healthcare inflation. Additionally, there should be focus on the development of innovative health care facilities, including focused, limited service specialty hospitals that provide specific services that are cost effective for the communities in which they are established. Several ownership models exist, and physician and non-physician investment in facilities that deliver high quality and cost effective health care are vital.

Narrow Networks

Everyone should receive access to basic health care coverage without financial barriers or undue burdens placed on the patient or physician. Yet, narrow networks increasingly mean patients will not be able to receive necessary care from doctors they have had their entire lives, and may have to pay large

out-of-pocket expenses because certain specialists are not covered under their plans. It is important that health plans cover basic health care benefits and that access to essential services are not impeded.

Care Coordination

The ability to quickly diagnose a musculoskeletal condition and initiate a treatment plan is integral to restoring patient mobility and preventing future injury. The in-office ancillary services exception to the Stark Law is essential to efficiently diagnosing and treating conditions by allowing orthopaedic surgeons to provide imaging and physical therapy services in their offices. Any policy that prohibits surgeons from performing and interpreting diagnostic imaging studies or providing physical therapy services in their offices interferes with the patient's ability to receive optimal, cost effective, and coordinated care.

ⁱ <http://www.aaos.org/CustomTemplates/Content.aspx?id=5605>

ⁱⁱ <http://www.aaos.org/AAOSNow/2014/Sep/managing/managing6/>