RESOLUTION 32-19

Title: Population Health Program Carve-outs

Introduced by: E. Chris Bush, MD, for the Wayne County Delegation

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Referred to: Reference Committee A

House Action: **APPROVED AS AMENDED**

Whereas, in the past health insurers granted annual fee increases to physician practices to attempt to keep up with medical inflation, and

Whereas, this practice was stopped years ago and value-based payment was put in its place, and

Whereas, the payors now expect practices to invest time and resources to keep a panel of patients healthy and up to date with recommended preventative services, and

Whereas, those practices that "perform" well are rewarded with bonuses and those that do not perform well get no bonus and may lose their withholds, and

Whereas, a high performing practice can be adversely affected if one or more their members is diagnosed and treated for cancer, and

Whereas, the physician had no possible way to prevent these individuals from developing cancer, and

Whereas, after diagnosis the patient is referred and managed by a cancer program and is no longer significantly involved with the primary care practice, and

Whereas, the expenses involved in cancer care are attributed back to the primary care specialist despite having no involvement with the patient resulting in large deficits in the physician's risk pool, and

Whereas, a physician with an efficient, well-managed practice will not receive the bonus funds needed to keep his or her practice viable; therefore be it

RESOLVED: That MSMS advocate for payers to "carve-out" or remove complex acute and chronic medical illnesses that are primarily managed by specialists or subspecialists from the formulas used in the respective population health value-based payment programs.

WAYS AND MEANS COMMITTEE FISCAL NOTE: $25,000 or more as this resolutions requires MSMS to engage in payer advocacy.

Relevant MSMS Policy: None

Relevant AMA Policy:

Physician Payment Reform H-390.849
1. Our AMA will advocate for the development and adoption of physician payment reforms that adhere to the following principles:

a) promote improved patient access to high-quality, cost-effective care;
b) be designed with input from the physician community;
c) ensure that physicians have an appropriate level of decision-making authority over bonus or shared-savings distributions;
d) not require budget neutrality within Medicare Part B;
e) be based on payment rates that are sufficient to cover the full cost of sustainable medical practice;
f) ensure reasonable implementation timeframes, with adequate support available to assist physicians with the implementation process;
g) make participation options available for varying practice sizes, patient mixes, specialties, and locales;
h) use adequate risk adjustment methodologies;
i) incorporate incentives large enough to merit additional investments by physicians;
j) provide patients with information and incentives to encourage appropriate utilization of medical care, including the use of preventive services and self-management protocols;
k) provide a mechanism to ensure that budget baselines are reevaluated at regular intervals and are reflective of trends in service utilization;
l) attribution processes should emphasize voluntary agreements between patients and physicians, minimize the use of algorithms or formulas, provide attribution information to physicians in a timely manner, and include formal mechanisms to allow physicians to verify and correct attribution data as necessary; and
m) include ongoing evaluation processes to monitor the success of the reforms in achieving the goals of improving patient care and increasing the value of health care services.
2. Our AMA opposes bundling of payments in ways that limit care or otherwise interfere with a physician's ability to provide high quality care to patients.
3. Our AMA supports payment methodologies that redistribute Medicare payments among providers based on outcomes, quality and risk-adjustment measures only if measures are scientifically valid, verifiable, accurate, and based on current data
4. Our AMA will continue to monitor health care delivery and physician payment reform activities and provide resources to help physicians understand and participate in these initiatives.
5. Our AMA supports the development of a public-private partnership for the purpose of validating statistical models used for risk adjustment.