

October 24, 2011

The Honorable Patty Murray
Co-Chair
The Joint Select Committee on Deficit Reduction
448 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Jeb Hensarling
Co-Chair
The Joint Select Committee on Deficit Reduction
129 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Hensarling and Chairwoman Murray:

On behalf of the Emergency Department Practice Management Association (“EDPMA”) and its affiliated member organizations, we offer our comments to the Joint Select Committee on Deficit Reduction (“Joint Committee”) as you consider options to reduce our federal deficit.

EDPMA is the nation’s largest trade association that supports the delivery of emergency medical care to Americans. EDPMA’s 89 member organizations include emergency department physician groups of all sizes, as well as organizations that support these groups to deliver high quality care in our nation’s emergency departments. Together, EDPMA’s members are involved in the care or support of over 50% of the 125 million patients seen in U.S. emergency departments each year, representing one of the most important and necessary elements of America’s health care system.

EDPMA supports responsible reforms to the Medicare system to reduce waste, fraud, and abuse, improve care quality, and reduce cost. Emergency departments, as a provider of last resort for the uninsured and underinsured, provide primary care services to millions of patients. Emergency physicians are also responsible for over half of all inpatient hospital admissions. EDPMA members treat and understand the full spectrum of medical conditions. Consequently, emergency physicians are well positioned to execute reforms aimed at increasing care coordination and focusing on high-value services.

For example, one of our emergency department members created the “High Alert Program,” a case management system designed to: 1) identify patients with complex needs, 2) identify patients with frequent emergency department visits, 3) organize clinical information, and 4) create a plan for future patient encounters. This program is now utilized at multiple hospitals and the success of the program is demonstrated in a 48% reduction in the number of inappropriate emergency department visits.

Further moves towards value-based purchasing will mean more effective use of Medicare dollars. EDPMA stresses that cost reductions are possible without reducing beneficiary access to care through physician reimbursement cuts. EDPMA supports the continued exploration of innovative payment models and other efforts to promote value-based care. We urge the committee to consider building on current efforts to pay for value and quality.

The committee should also understand that some reforms may take time to implement and yield savings. Though EDPMA wholly supports reform that would effectively prevent and punish waste, fraud, and abuse, we caution that the Affordable Care Act and other recent legislation have already significantly raised Medicare compliance requirements and increased penalties. Overly burdensome requirements may make it more difficult for legitimate providers to participate in the Medicare program. We urge the Joint Committee to allow recently implemented compliance requirements time to work before imposing additional measures.

Finally, EDPMA is concerned that the current budget baseline includes a nearly 30% cut to physician payments resulting from the sustainable growth rate (SGR) formula. Maintaining the current level of physician payment will cost \$300 billion over 10 years. During the last decade, Congress has consistently implemented short term SGR patches to avert major cuts. However, the current budget climate and the increasing cost of offsetting the SGR make short term solutions much more difficult. The Joint Committee's mandate and operating rules provide a unique opportunity to permanently fix SGR. Doing so would offer a more accurate budget projection and ensure continued access to physician services for Medicare beneficiaries. A number of bi-partisan deficit reduction plans have called for such a fix, including those from the Simpson-Bowles Commission and the Senate "Gang of Six."

Cuts of 30% or more would reduce access to care for millions of seniors as more physicians will choose to opt-out of the Medicare program. The situation for emergency room physicians is further complicated by the Emergency Medical Treatment and Active Labor Act (EMTALA) law, which requires that emergency departments treat all patients, regardless of their ability to pay. EDPMA believes that all emergency department patients deserve access to treatment and supports EMTALA, but the law makes emergency physicians more vulnerable to changes in Medicare payment rates. Already, many emergency departments are reimbursed at below cost for Medicare patients. Additional cuts could cause the closure of a number of emergency departments around the country.

The Committee may receive proposals to abolish the SGR that would reduce reimbursement for specialties other than primary care while maintaining current reimbursement levels for primary care physicians.

EDPMA opposes this approach. The Relative Value Scale Update Committee (RUC) sets reimbursements for services based on practice costs and physician work for each procedure. Superseding that process with artificial distinctions between specialties would undermine the RUC and politicize the process of setting relative payments.

The 24/7 aspect of emergency departments, combined with the unfunded EMTALA mandate, puts emergency medicine physicians in greater jeopardy for the model approved by MedPAC. Unlike other medical specialties, primary care or specialist, emergency medicine physicians cannot turn away any patient. In addition, emergency departments, often wrongly maligned as being too expensive or a place of inappropriate care, represents just 2% of the healthcare dollars, and provides service to every individual who comes through the door. No other medical specialty can claim that distinction.

Thank you for the opportunity to submit comments to the Joint Committee. Please contact me or EDPMA's Executive Director, Ms. Linda Ayers, MHCM, CAE, at (703) 610-9033 if we can be of further assistance.

Sincerely,



Dighton Packard, MD, FACEP
Chair, Board of Directors

cc: The Honorable Max Baucus
The Honorable Xavier Becerra
The Honorable Dave Camp
The Honorable James Clyburn
The Honorable John Kerry
The Honorable Jon Kyl
The Honorable Rob Portman
The Honorable Pat Toomey
The Honorable Fred Upton
The Honorable Chris Van Hollen
Mr. Mark Prater
Ms. Sarah Kuehl
Mr. Michael Bloomquist