



The Maryland State Medical Society

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A CHANCE TO FIX MEDICARE

Op-ed in The Baltimore Sun, by Dr. Brian Avin and Dr. Ardis D. Hoven

BALTIMORE, September 10, 2013 — More than 1 million men and women in Maryland have one thing in common: They are enrolled in Medicare or Tricare. These programs provide seniors, the disabled and military families the coverage they need to remain healthy and to access the care when they are sick or injured. In Maryland, a number of new health care payment and delivery models are being established to improve patient care and reduce health care costs under the Medicare system, but a broken Medicare payment formula threatens to disrupt the progress of these innovations.

Physicians in Maryland and across the country have been urging Congress to move toward a more patient-centered health care system. By doing so, we can improve the health of our patients and reduce costs by improving coordination of care, collaborating across specialties to share information, and providing continuity of care in managing and preventing chronic diseases.

The first step in this transformation is to get rid of what is not working, and Congress appears poised to act on that. The system by which Medicare currently pays physicians for the care they provide to Maryland's 1 million Medicare and Tricare patients and 60 million others throughout the country is broken. It uses a payment formula that regularly requires massive, unsustainable cuts for the care that physicians provide for patients. There is strong, bipartisan support to end this problem, and because the rise in health costs has slowed, the price tag for doing so today is about half the cost of what it was projected to be a year ago. Acting now is the fiscally responsible course of action, and doing so will not only stabilize Medicare but create an environment that will allow real innovation to ensure the long-term health of this vital program.

The second step is to move Medicare toward an array of new models for delivering health care to patients that give physicians the flexibility to choose what works best for their practices to help lower costs and improve the quality of care for patients. Some of these models are being piloted both in Medicare and by private insurance companies, including accountable care organizations, where physicians and other health providers join together to improve care and reduce unnecessary costs.

The Maryland State Medical Society (MedChi) has established three advanced payment accountable care organizations (ACOs) managed by MedChi Network Services. Seven additional ACOs are being formed around the state, and the patient-centered medical home project — which helps coordinate all of a patient's care through one medical office — has been underway in Maryland for several years. Programs that pay hospitals an annual global fee to care for patients have been established in the rural areas of the state, and health enterprise zones have been created around the state to provide medical care to underserved areas. MedChi has also formed a public-private partnership to provide medical care to the underserved.

A model that bundles payments so providers are compensated for an episode of care rather than for each specific service or procedure is also being tested, and an enhanced fee for service option

should remain viable as well, as it is important for physicians to choose what works best for their medical practice and the patients they serve.

To put these new models into practice, the health care system needs a period of stable Medicare physician payments without the annual threat of drastic cuts. This stability would allow physicians to hire additional staff in our offices to manage chronic medical conditions such as diabetes and to prevent health care emergencies that would require a visit to the emergency department. We need payment systems that more easily support the coordination of care between physicians, reducing duplication of tests and conflicting treatments.

When implemented, these new health care delivery systems will improve continuity and coordination of care and allow physicians to focus on managing patients' overall health rather than concentrating on specific episodes of illness. These various models have shown that they can improve the quality of care patients receive while reducing health care costs.

By giving physicians the ability to make these important changes, lawmakers can help ensure that Medicare is ready to meet the present and future needs of patients. Encourage your members of Congress to act this year to protect and improve Medicare by calling the Patients' Action Network at (888) 434-6200.

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. It is the largest physician organization in Maryland. The mission of MedChi is to serve as Maryland's foremost advocate and resource for physicians, their patients and the public health of Maryland. For more information, please visit www.medchi.org.