

## **POS Principles on National Healthcare Reform**

### **August 18, 2009**

The Pennsylvania Orthopaedic Society (POS) has long sought to reform Pennsylvania's healthcare payment system. In Pennsylvania, the healthcare insurance market is dominated by regional monopolies that limit patient access to care and treat physicians merely as high cost providers from whom reimbursement should be restricted. This market does not serve the best interests of patients or physicians.

Over the years, the POS has fought the dominated Blue plans through a class action lawsuit to force Independence Blue Cross (IBC) to disclose their reimbursement methodologies. The POS also vigorously opposed the proposed Highmark/IBC merger. Both actions were successful.

In addition, during the current and immediate past legislative session, the POS advocated for expanded healthcare insurance coverage for Pennsylvania's citizen. These actions were based in the understanding that, in our current healthcare market, patients need healthcare insurance to access care.

As POS engages in the national healthcare debate, the Board of Directors adopts the following principles to guide the Society's advocacy to the Pennsylvania Congressional Delegation.

#### **Affordable Coverage for All**

- All Americans should have affordable, portable health insurance that provides access to necessary, appropriate medical care. POS supports subsidies (in the form of tax credits or vouchers) for those who can not afford such health insurance.
- Decisions about appropriate medical treatment must be made by patients and their doctors, and patients deserve accurate information on the cost and efficacy of their care, so that they can share in that cost to some degree. It is the patient's right to make his own medical economic decisions.
- Patients must have the freedom to choose their doctor, direct access to specialty physicians, and the right to enter into private contracts with their physicians should they choose to do so.
- Families and individuals need to choose from a variety of affordable health insurance options. POS supports a blend of existing government programs with a robust private market of insurance products. POS opposes a single payer health care system.
- People should have greater incentives for wellness and prevention.

#### **Insurance market reforms are needed.**

- POS supports the elimination of pre-existing medical condition clauses and the elimination of lifetime caps. The POS also supports guaranteed renewable coverage.
- POS supports streamlined insurance claims processing to reduce the time and resources devoted to paperwork and to lower costs for patients, physicians and payers.

### **The Public Option**

- How a public option is constructed and allowed to compete are critically important to ensuring that families have the ability to keep their current health coverage and continue to see the doctor of their choice. Any public option or cooperative must:
  - Function independently of the federal government and include an adherence to the free market in which rates are negotiated between the plan and its providers—similar to current private health insurance plans.
  - Be based on voluntary participation that does not force hospitals and doctors to enroll and does not ban them from taking part in the plan if they do not participate in Medicare or Medicaid.

### **Medical Liability Reform**

- Medical liability reform needs to be a part of overall health system reform and will decrease costs by reducing the necessity to engage in defensive medicine to protect against frivolous and abusive lawsuits. Congress should consider health courts, administrative compensation systems, apology and early offer models, “safe harbors” for physicians who follow best practice guidelines, and reasonable caps on non-economic damages modeled after effective State reforms.

### **Responsible Physician Ownership**

- Physician owned institutions bring high value and innovative care to patients. POS opposes changes to the Stark Laws that would further restrict the ability of other physicians to bring the same innovations and necessary medical services to families by, for example, eliminating advanced imaging from orthopaedic offices and changing the “whole hospital” exception preventing physicians from investing in hospitals in their communities.

### **Medicare Physician Payment Reform**

- Further cuts in payments to physicians will threaten access to quality care.
- Congress must pass a permanent fix to Medicare’s flawed Sustainable Growth Rate (SGR). The fix must be fully paid for without borrowing from future Medicare payments, be sustainable in the long-term and accurately reflect the increased practice costs of treating the growing elderly population as measured by the Medicare Economic Index (MEI).
- The short-term savings gained by cutting physician and hospital reimbursement will not solve Medicare's long-term financial crisis.

### **Independent Medicare Advisory Council (IMAC)**

- POS opposes the formation of IMAC or a similar entity that would divert congressional authority to make crucial healthcare decisions about the future of Medicare to an unelected body with the sole responsibility of reducing cost with no authority to react to the increasing elderly patient demand and rising practice costs.