



AMA SUPPORT FOR H.R. 3200

Answers to Frequently Asked Questions

Why is the AMA supporting H.R. 3200?

H.R. 3200 contains many elements that reflect AMA priorities for health system reform. This includes: expanding the availability of affordable health care coverage to the uninsured, increased support for prevention and wellness services, investments in the physician workforce, increased Medicare payments for primary care services without cutting payments for other services and, importantly, it represents medicine's best hope for eliminating the current sustainable growth rate (SGR) formula for updating Medicare physician payments. The AMA will be working with members of the House of Representatives to improve the bill by seeking changes (e.g., adding medical liability reforms). Favorable action on a House bill is necessary to move the process to the end game negotiations that will determine the specifics of a final bill.

Why did AMA react so quickly?

The AMA has been reviewing and submitting detailed comments on draft proposals for several months, as well as engaging in substantive discussions with Congressional leaders and staff. There were a limited number of changes made in a draft of the bill that was released on June 19. So, we were able to complete an analysis of the 1,000+ page bill relatively quickly. Two of the three House committees completed their mark-up of the legislation last week so it was important to voice our views prior to votes in committee.

Does the AMA support all provisions of H.R. 3200?

As is typical with very large bills, it contains many provisions that we wholeheartedly support, others that concern us, and still other provisions that we want to see changed. We plan to continue our efforts to refine those elements that are inconsistent with our policy as the legislative process progresses. For example, during the process of committee consideration we have been supporting amendments to provide federal support to states that implement liability reforms and to preserve patient access to physician-owned hospitals. This is the beginning of a very lengthy process and we believe our support helps put us in a very favorable position to advocate for important changes when a House and Senate conference committee is appointed to craft a single bill for final passage.

Does the AMA support the public plan provisions included in H.R. 3200?

The public plan provisions in H.R. 3200 represent an improvement over previous draft proposals. The Senate is developing different approaches to a public plan. H.R. 3200 would require a public plan to be self-sustaining and not dependent on the federal treasury, and it would not require physicians to participate. It also does not affect the ability of physicians to engage in



private contracting arrangements with patients. We believe that, as the legislative process continues, the details surrounding the public plan option will change considerably.

By supporting health reform legislation that includes a public plan, isn't the AMA really endorsing socialized medicine?

It truly is regrettable that so many of the important goals we hope to achieve through health system reform have been overshadowed by a headline-grabbing debate over the prospects of creating a coverage option bearing the label "public plan," without regard to the variety of forms such an option could take. The AMA continues to oppose nationalized medicine health insurance, and we continue to express opposition to elements of public plan proposals that we believe could lead us down the road to a single payer system or "socialized medicine." However, we remain open to proposals that are consistent with our principles of pluralism, freedom of choice, freedom of physician practice, and universal access.

I have heard that as many as 120 million people will be enrolled in the new public option health plan. Is that true?

No. The nonpartisan Congressional Budget Office has estimated that the bill will ensure that 97% of the legal, non-elderly population will have health insurance. At most, 12 million people would be enrolled in the public plan, representing only about 4% of the entire population. Overall, 37 million uninsured Americans will have health insurance coverage who do not have it now.

Won't employers simply drop coverage?

Again, the non-partisan Congressional Budget Office estimates that from 2010 until 2019, the number of Americans with employer provided coverage will increase from 150 million to 162 million people. Additionally, for those Americans who purchase coverage through the Health Insurance Exchange, two-thirds (or 20 million people) will choose private plans. This means a significant increase in the number of American's insured by private insurance plans.

Does H.R. 3200 make private insurance illegal?

There have been some misleading press reports on this issue. The legislation does not make private insurance illegal. Rather, it regulates health insurance coverage and, except for some "grandfathered" existing policies, individual coverage could only be offered through the Health Insurance Exchange established by the bill. (The Health Insurance Exchange is a regulated market place for people to purchase private coverage that meets minimum criteria.) In fact, the legislation would make great strides in regulating insurers so that they treat patients and providers more fairly.



What about liability reform?

The AMA continues to believe that medical liability reform is essential to any health care cost containment strategy.

Is support for replacing the SGR weakening at the White House and in Congress?

No. Key House and Senate leaders as well as senior White House officials remain committed to enacting legislation this year that would erase the existing SGR debt and establish a new, more favorable payment structure for Medicare physician payments. It sometimes is confusing when policymakers discuss Congressional Budget Office scoring rules and legislative procedures.

Using past approaches, the “budget score” would be \$239 billion for changing the SGR policy. This year, we gained the support of House, Senate and White House policymakers to erase the SGR debt and establish a new payment formula without have to identify budgetary offsets. The term of art is a “pay-go waiver.”

When Office of Management and Budget Director Peter Orszag talks about “removing the Medicare physician payment fix” he is referring to budget scoring estimates--not about jettisoning a change in the SGR policy from health system reform legislation. Key policymakers in the House, Senate and White House continue to support replacing the SGR through a pay-go waiver.

Does the bill expand scope of practice of non-physician practitioners?

The bill would establish a medical home pilot program under Medicare that would allow a nurse practitioner to lead a medical home “so long as...the nurse practitioner is acting consistently with State law.” State law requirements regarding physician supervision of nurse practitioners would continue to apply. While the AMA recognizes nurses as valuable members of the health care team, we do not support nurse practitioners practicing independently, without at least regular consultation with a physician. It is the AMA’s policy that a multidisciplinary health care team should be led by a physician who is in the best position to provide coordination of disciplines to assure delivery of high quality patient care.