

**Table 1: AAOS Responds to Current Healthcare Reform Provisions**

<b>House Tricommittee Bill (HR 3200)</b>	<b>AAOS Response</b>
<p>Establishes the following three expenditure targets</p> <ul style="list-style-type: none"> <li>• Primary care, preventive services and all evaluation and management codes, regardless of what type of physician provided the service</li> <li>• Specialty services</li> <li>• Accountable Care Organizations (separate from physician targets)</li> </ul> <p>Proposes that the payment update for 2010 be increased at the rate of the Medicare Economic Index (MEI).</p> <p>Rebases the Sustainable Growth Rate (SGR)</p> <p>Removes clinical laboratory services and drugs from the spending calculations</p> <p>Bases payment updates in subsequent years on the gross domestic product (GDP)</p>	<p>The AAOS believes that comprehensive health reform efforts must include a permanent fix to the SGR and has submitted a response to the House, in conjunction with the surgical community and the Alliance of Specialty Medicine, reinforcing that position.</p>
<p>Includes a “Physician Payments Sunshine Provision” that would require industry to report contributions made to “a sponsor of a continuing medical education program” and “an organization of health care professionals.”</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Establishes an independent medical advisory council (IMAC)</p>	<p>The AAOS opposes the inclusion of language that would establish an IMAC into any final proposal. The AAOS believes that the creation of an IMAC-like entity would severely limit Congressional oversight of the Medicare program and replace the transparency of Congressional hearings and debate with a more opaque process and minimal accountability. This change would also move important Medicare policy decisions to a small number of unelected officials who would be largely unaccountable to the public.</p>
<b>Senate Finance (Baucus) Bill</b>	
<p>Does not eliminate the SGR.</p> <p>Provides for a 0.5 percent increase in physician payments in 2010</p> <p>Provides a 10 percent bonus in payment to primary care and rural general surgeons.</p>	<p>The AAOS believes that comprehensive health reform efforts must include a permanent fix to the SGR. AAOS has strongly opposed budget neutral bonuses because they will exacerbate other physician shortages, including those in orthopaedics.</p>
<p>Calls for health insurance exchanges</p> <p>Requires hospitals to list standard charges for all services and Medicare diagnostic-related groups</p> <p>Allows states to form “health care choice compacts” in 2015 to purchase across state lines</p> <p>Requires individuals to have health insurance through their employer, Medicaid, Medicare, the State Children’s Health Insurance Program, or another qualified source by 2013.</p> <p>Individuals who meet certain income restrictions can apply for an exemption.</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Establishes a panel of healthcare providers and experts to identify overvalued services and enable the Secretary of the Department of Health and Human Services (HHS) to adjust rates.</p> <p>Reduces the annual market basket for Part A providers and for Part B to ensure Medicare sustainability</p> <p>Provides for a national pilot program on payment bundling to allow providers to share in the savings.</p> <p>Institutes payment penalties to hospitals with high rates of hospital acquired infections and readmissions in 2011.</p> <p>Reassigns all unused residency slots, regardless of specialty, to primary care, without removing the current residency caps.</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Establishes an independent Medicare commission.</p>	<p>The AAOS opposes the inclusion of language that would establish an IMAC into any final proposal (See House proposal).</p>
<p>Requires physicians and all other Physician Quality Reporting Initiative (PQRI) eligible professionals to participate in quality measures by 2011.</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Creates a nonprofit institute to conduct comparative effectiveness research. Included in this is a provision that explicitly prohibits the HHS Secretary from using research to ration care.</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Calls for consumer-operated and -oriented plans (CO-OPs) that would serve individuals in one or more states.</p>	<p>The AAOS continues to review this provision and its impact on the physician community.</p>
<p>Defines Accountable Care Organizations (ACOs) as a group of providers who work together to deliver care to Medicare beneficiaries and allows ACOs to keep half the savings they achieve over a 3-year period.</p>	
<p>Includes limitations on specialty hospitals</p>	<p>AAOS opposes provisions that restrict physicians’ ability to invest in hospitals and choose the most the appropriate setting in which to treat patients.</p>