



Date: January 28, 2010

To: AAFP Board of Directors
AAFP Constituent Chapters
Members of Family Medicine Working Party

From: AAFP Government Relations/AAFP Communications

Subject: **Health Care Reform: An Update and Next Steps for Family Medicine**

Action: Use as Background; Share with Members as Appropriate

As a follow-up to President Obama's State of the Union address last night, the following document has been prepared for distribution to those of you who care deeply about comprehensive health system reform. While the AAFP will be sharing our leadership's thinking regarding next steps with our members via news articles and email messages, we thought that this might be a useful document for you as well. Please note that in addition to this summary, links are provided throughout to more in-depth information.

Where the AAFP Stands on the Need for Health Care Reform

The failure of the U.S. political system to address urgently needed health care reform does not mean that an enormous crisis facing the nation has disappeared.

The realities that started the debate about health care remain:

- We must provide health care coverage to people who cannot afford it or who have been turned away due to pre-existing conditions.
- We must address the factors that drive up costs and lower quality: the fragmentation of care; the duplication of tests and services; and the disregard for chronic disease management, prevention and wellness care in favor of medical intervention.
- We must build up the primary care physician workforce to meet the needs of Americans.

For more than 20 years, the American Academy of Family Physicians has supported health care coverage for everyone. No American should delay or forego needed care because of cost or lack of access.

We must provide health care rather than focusing only on sick care. We must constrain total spending by helping patients avoid preventable illness, efficiently managing the care of people who have chronic illness and improving the quality of that care.

We can make important strides in that direction by implementing advances such as the patient-centered medical home, in which a qualified physician's practice provides comprehensive care and preventive services, and coordinates health services when illness does develop.

We can signal our support for such a system by improving payment for the medical expertise of primary care physicians and supporting medical education programs that pave the way for medical students to become primary care physicians.

The American Academy of Family Physicians will continue to work for:

- constructive **health insurance reform** for all Americans;
- **changes in health care delivery** that ensure high quality, affordable, accessible care for our patients;
- **physician payment and medical education reform** that will rebuild our primary care physician workforce; and
- **medical liability reform.**

These four goals are key to building a health care system that meets the needs of the American people. The health of our patients and the health of the nation depend on meeting them.

Suggested Additional Messaging for Medical Students and Residents

As new physicians, you may have special concerns about the health care system that you soon will be inheriting. Rest assured – America will always need well-trained, compassionate, and dedicated family physicians to serve our country's citizens. In fact, our nation's health care system of tomorrow must be built on medical students choosing to become family physicians today.

Despite the fact that comprehensive health care reform has not yet been realized, the important work of caring for the people of America will continue, as will the AAFP's effort to pursue our principles for meaningful changes in the health care system. This will occur as family physicians and other primary care physicians continue to care for our patients at the right time, in the right place and in the right way.

So focus on what's most appealing about family medicine: the personal rewards and satisfaction of establishing continuous, long-term relationships with patients, and partnering with those patients in the management of their health – of knowing that you have made profound, positive differences in people's lives.

We know that the choice of medicine as a career is driven by a sense of service to others. Family medicine uniquely prepares you to care for your patients and to be an advocate for your patients' good health.

The AAFP and other organizations in family medicine will continue to advocate for comprehensive, meaningful health system reform. As medical students and residents, your voice remains extremely important – legislators and policymakers want to hear from you. So please stay engaged in the process, be involved at the local level through your family medicine interest group, and visit the AAFP’s health reform website at www.aafp.org/healthcarereform for more information.

The AAFP’s Position on Health Care Coverage for All

In response to a directive from the 2005 Congress of Delegates, the AAFP Board of Directors appointed a task force to update the Academy’s health care coverage for all policy. That update came to the Board of Directors in October 2007, and has subsequently been adopted by the Congress of Delegates. The report (<http://www.aafp.org/online/en/home/policy/policies/h/healthcare.html>) lays out the following principles:

- everyone should have health care **coverage**, including catastrophic protection;
- everyone should have a **patient-centered medical home**, and;
- health care should be a **shared responsibility** of individuals, employers, government, and the private and public sectors.

Coverage

Everyone in the United States should have health care coverage. This will be achieved only if Congress enacts legislation requiring health care coverage for all, with a primary care benefit design featuring the patient-centered medical home and a payment system to support it.

Patient-Centered Medical Home

The patient-centered medical home, as described in the Joint Principles of the Patient-Centered Medical Home (<http://pcpcc.net/content/joint-principles-patient-centered-medical-home>), should be the basis of the health care system.

Patient-centered medical homes will be designated by a process such as the Physician Practice Connection – Patient Centered Medical Home (<http://www.ncqa.org/tabid/631/Default.aspx>) recognition program of the National Committee on Quality Assurance (NCQA).

Payment

The payment structure should be based on the following blended payment model:

- **Fee-for-Service**
Fee-for-service payments should continue for face-to-face visits. These payments will reflect the value of primary care services. (Payments for care coordination services that fall outside of the face-to-face visit, as described below, should not result in a reduction in payment for face-to-face visits.)

- **Care Coordination Fee**
Each practice designated by a patient as his or her medical home should receive a monthly per-patient fee for care coordination services. The fee should increase at each level of medical home designation. The care coordination fee should reflect the value of patient-centered care coordination provided by physician and non-physician staff outside of the face-to-face visit, and coordination of care within a given practice and between consultants, ancillary providers and other health care providers. The care coordination fee should: support adoption and use of health information technology for quality improvement and provision of enhanced communication access, such as by secure e-mail and telephone; recognize the value of physician work associated with remote monitoring of clinical data using technology; and take into account differences in each practice's patient population. Further, the payment model should be supported by better coordination of care associated through the patient-centered medical home.
- **Pay for Performance**
A performance-based payment should recognize achievement of quality and efficiency measures that are developed and updated with appropriate physician input.

Where the AAFP Stands on Reinvigorating the Primary Care Workforce

In a primary care based system, workforce policies must ensure a strong cadre of family physicians, other primary care physicians and non-physician clinicians who are integral to a high functioning health care team. The United States must establish a mechanism such as a national workforce commission to recommend the right numbers and distribution of physicians. We recommend that the nation develop a workforce made up of at least 50% of its physicians being in primary care. Section 747 in the Public Health Service Act, the only federal program that trains family physicians (and other primary care providers) needs at least \$215 million and there should be loan repayment and scholarship programs for those entering primary care. Graduate medical education should pay for physician training in care management, working in teams, supervising nursing students and improving quality.

(<http://www.aafp.org/online/en/home/media/releases/newsreleases-statements-2009/merritthawkins-physicianshortage.html>)

Medical Liability

The current medical liability system fails both patients and physicians. Liability reform should make health care equitable and it must quickly compensate those truly injured in the course of medical care. By reducing liability insurance premiums and exorbitant legal fees associated with lengthy litigation, and, as the non-partisan Congressional Budget

Office has recently recommended, by ending the need to practice defensive medicine, we can decrease the cost of health care. While the evidence shows that capping non-economic damages will reduce health system costs, AAFP supports efforts to test alternative methods that would accomplish the same goals.

(<http://www.aafp.org/online/en/home/policy/policies/p/professionalmedicaliability.html>)

Primary Care Speaking with One Voice

AAFP, American College of Physicians and American Osteopathic Association – representing more than 330,000 physicians – join together in urging President Obama and the Congress to enact legislation that provides Americans with greater access to affordable health insurance coverage, implement physician workforce and payment reform to help ensure a sufficient supply of primary care physicians, and accelerate funding for innovative models of care – January 26, 2010.

(http://www.aafp.org/online/etc/medialib/aafp_org/documents/policy/fed/statements/hcr-future.Par.0001.File.tmp/AAFPAAOACP-HCR-Obama.pdf)

In addition, these three organizations and the American Academy of Pediatrics have recommended building the health care delivery system in the United States on the foundation of primary care. Together, these physicians have recommended using the Patient-Centered Medical Home as an effective practice model.

(http://www.aafp.org/online/etc/medialib/aafp_org/documents/policy/fed/jointprinciplespcmh0207.Par.0001.File.dat/022107medicalhome.pdf)

For Updated Information, the Following Resources are Also Available:

- **AAFP News Now** (<http://www.aafp.org/online/en/home/publications/news/news-now.html>), the Academy's member news publication, is your go-to resource for articles with the latest information we're providing to all members. As a reminder, constituent chapters and other organizations within the family of family medicine may reprint information presented in *AAFP News Now*, with the exception of "As We See It: Voices From the AAFP" content. Please use the following source – "*AAFP News Now*, month, year, copyright AAFP."
- When Congress is in session, **Washington Update** (www.aafp.org/update) is a weekly report from the Government Relations team that includes updates on federal and state issues, PAC events and grassroots activities.
- At www.aafp.org/healthcarereform you'll find information and resources related to the Academy's health care reform efforts, including recent letters to Congress and the Obama Administration.
- **SpeakOut!** (<http://capitol.aafp.org/aafp/home/>). Visit Speak Out for current grassroots action alerts related to health care reform.

- The **AAFP Media Center** (<http://www.aafp.org/online/en/home/media.html>) provides a central place to access all statements/news releases issued by the Academy. While these statements are attributed to AAFP leadership and will have already been distributed to the news media, they may be helpful in providing additional background on the AAFP's positions.
- Several family medicine organizations collaborated to develop a special article in the July 1, 2007 issue of *American Family Physician* entitled, "**Responses to Medical Students' Frequently Asked Questions About Family Medicine.**" The article provides answers to many of the questions asked about the specialty. It also discusses the importance of primary care, the many benefits of family medicine, education and training to become a family physician and the issues of lifestyle and medical student debt.
(http://fmignet.aafp.org/online/etc/medialib/fmig/documents/fammed/afp.Par.0001.File.tmp/faqs_article.pdf)