

# AMA 160<sup>th</sup> Annual Meeting (2011)

## Robert P. Nirschl, M.D., M.S.

### Take Home Messages:

AMA is doing well economically (See III B)

AMA has great influence on all practicing physicians by control of CPT code book and RUV (relative value update committee which advises CMS on value units of medical services – see section II E).

ACO's (Accountable care organizations) are a bad deal for most physicians (See section VI A). Controlling costs is critical and the financial risks substantial. SGR (Medicare doctor payment fix) not resolved (See section IV C1).

### I. Meeting Activity

1. 200 reports, resolutions, policy changes
2. Key resolutions passed by House of Delegates (HOD).
  - a. Amend affordable care act – eliminate independent payment advisory board (IPAB)
  - b. Support ACA individual mandatory insurance purchase (Vote: 326-121).
  - c. No support for joint commission new primary care medical accreditation program which does not need a physician director (e.g. PA's or nurse practitioners could be program director).

### II. AMA Internal Structure

- A. President Peter Carmel (Neurosurgeon) – Exec Vice President James Madara, M.D. (Academic Pathologist) – New appointment
- B. Board of Trustees 15 members: Robert Wah, M.D. Chairman
- C. House of Delegates (HOD) – 521 Delegates  
State Medical Society Delegations and Speciality Society Delegations
- D. Group Sections  
Medical Students (MSS) Residents and Fellows (RFS),  
Young Physicians (YSP), Organized Medical Staff (OMMS)  
International Medical Graduates (IMGS)  
Senior Physicians (SPA), Minority Affairs (MAC), Women Physicians (WPC), Gay Lesbian Bisexual, Transgender (GLOT), Medical Schools (SMS), Advisory committee on group Practice Physicians.  
Comment: Medical student section meetings were quite animated with 500 in attendance.

## **E. Code and payment committees**

CPT code Editorial Board (15) members. RUC (Relative value scale update committee.) 26 voting members

Comment: Important groups Re: How you get paid – AMA

currently controls the editorial content of CPT codes –

CPT Code Book major source of AMA influence and income. AMA organizes RUC which recommends but CMS (Medicare) controls relative value units (RUV's) payments. ICD codes are determined by world health organization. CCI (Correct coding Initiative) organized and regulated by CMS (provides data for CMS audits – RAC)

COMMENT: AMA interrelationship with CMS even with decreasing membership AMA has wide influence over all practicing physicians.

## **III. AMA Membership**

A. 215, 854 (Dec 2010) Decrease 5.4% from 2009

1. 137, 499 (Practicing Physicians) 64%
2. 47, 499 (Students) 22%
3. 30, 316 (Residents / Fellows) 14%

Comment: 942, 999 Practicing Physicians in U.S. AMA members 14%.  
201, 121 student's and residents in U.S. AMA affiliate members 38%.

B. Finances 2010

1. Total Income 273.8 million
  - a) For profit revenue 235.7 million (includes income from CPT code book, vendors, real estate, royalties, advertising, investments).
  - b) Dues income 38.1 million from members (35% decrease from 2009.  
General and administrative expenses: 203.9 million  
Other expenses: 49.9 million  
Net Income 2010: 23.9 million up 44.8% from 2009

COMMENT: Huge majority of income does not come from membership dues. AMA therefore remains economically viable in spite of decreasing membership.

## **IV. AMA Political Advocacy**

A. Mission Statements

Promote Art & Science of Medicine

Promote public health

Help doctors to help patients

B. Current Medical profession anxiety: What is medicine's

future?

How to continue to attract the best and the brightest?

- C. Major Legislative initiatives (Richard Deems Chief lobbyist)
1. SGR fix (Threat 30% physician pay cut Jan. 1, 2012 if no reform). Need tax reform with honest budget (the future is now for SGR fix). No specific legislation yet.
  2. Malpractice Reform (? Going no where)  
Congressman Phil Gingrey (Calif Micra elements) HR5
  3. Private contracting for patients and Physicians  
Congressman Tom Price (HR 1700) Senator Lisa Murkowski (SB 1042)
  4. Anti –Trust Relief  
HR 1409 Congressman Conyers – Comment: Need for relief in new payment models (ACO's etc.) in ACA legislation. No particular help in dealing with physician managed care contracts.
  5. No licensure linkage to force physicians to accept Medicaid and Medicare patients. HR 969 Congressman Tom Price.  
Dr. Nirschl AMA resolution 2010 – Virginia Law 2011
  6. Eliminate ACA Independent payment advisory board (IPAB)  
  
Comment: IPAB Interferes with doctor patient relationship by executive control with no congressional oversight and no patient or physician appeals process.  
  
Has congressional support from Democrats and Republicans. AMA has formed physician payment reform advisory group to educate and lobby congress.
  7. Eliminate restrictions on physician owned hospitals

D: Some mild successes

1. Reporting of \$600 medical office purchases has been removed.
2. Physician requirement to write prescriptions for OTC medicines for patient to use flex accounts has been removed.

## **V. Major AMA Actions/Initiatives**

- A. Seeking relief from federal trade commissions regulations

regarding private practice physicians and physician owned private hospitals in organizing ACO'S

- B. Develop physician education and ethical principles in the development of ACO's
- C. Develop contract language for Hospital employed physicians or contract physicians in avoiding no cause termination clauses that automatically results in loss of medical staff privileges without medical staff bonafide due process
- D. Develop standardized pre – authorization forms – foster efforts to receive payment for professional time and office expense in each pre – authorization encounter.

## **VI. Educational meeting symposium**

- A. Accountable care organizations update (enclosed appendix)  
Elias Matsakis Esq. (Holland & Knight law Firm Chicago)  
Basic symposium message:
  - 1. Physicians do the work; investors and administrators control the money and the organization.
  - 2. Pilot programs: so far no money saved.
  - 3. Current ACO government plans a major negative for most physicians (complex rehash of HMO's).
- B. Leadership in Health Care change: If not physicians, then who? (enclosed appendix) Alice Gosfield, Esq. Philadelphia  
Basic Symposium Message:

### **Physicians are different**

- 1. Have true responsibility for patient (Life & Death)
  - 2. Legal captain of ship
  - 3. Collegiality (willing to share medical expertise)
  - 4. Evidence based decision making.
  - 5. Loss of physician leadership compromises the above.
  - 6. If physicians wish to control the doctor patient relationship as well as their professional and economic destiny they must take control.
- C. Health care reforms to reducing readmissions – (appendix to Dr. McPherson) Mark Williams, M.D., FHM Northwestern U.  
Project Boost (better outcomes for older adults through safe

transitions).

- D. Statewide (Michigan) to bedside transition. KEYSTONE PROJECTS: It's about patient safety. Gary Roth, D.O. Cardio vasc surgeon, Director of quality improvement and patient safety, Michigan State University. How did one State go where no other has gone (Appendix to Dr. McPherson)

## **VII. General Info**

- A. Waste and Fraud Data (CMS)
- B. Medicaid 30%, Medicare 10%
- C. Primary cost shifting to private sector driven by low payment Medicare & Medicaid price controls not the uninsured.

Respectfully submitted

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