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April 18, 2013

The Honorable Dave Camp
Chairman, Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Fred Upton
Chairman, Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Camp and Chairman Upton,

The American College of Cardiology (ACC) is pleased to offer comments on the second iteration of the joint Ways and Means and Energy and Commerce Committee Sustainable Growth Rate (SGR) repeal and reform proposal. The specter of the SGR has loomed large over the practice of medicine for more than a decade and the time has come to repeal it. We are grateful that the committees are working together in a collaborative fashion with the professional community to address this very important issue.

The ACC is a 43,000-member nonprofit medical society comprised of physicians, surgeons, nurses, physician assistants, pharmacists and practice managers, and bestows credentials upon cardiovascular specialists who meet its stringent qualifications. The College is a leader in the formulation of health policy, standards and guidelines, and cardiovascular research. The ACC provides professional education and operates national registries for the measurement and improvement of quality care.

We are strongly supportive of the direction taken by the committees in this document. We support a careful and iterative movement towards a payment system that better recognizes the value of care. We support a plan that recognizes that the practice of medicine is extraordinarily diverse and requires some customization to measure performance and outcomes. We support a plan that promotes continued incentives to improve for both the highest and lowest level performers. We support a plan that takes advantage of the significant data quality collection that is already happening in venues such as clinical registries. For too long, the best cardiologists have been subject to payment cuts that do not recognize the quality of care that they are providing for their patients and we look forward to a future where that is recognized and rewarded.

Phase I

The ACC supports a stable period of positive updates as quality measurement is accelerated. The annual guessing game of whether Congress will act to avoid SGR cuts may have led to less engaged physicians because they would have no reason to worry about quality measurement if they were no longer going to accept Medicare. This continual uncertainty with regard to reimbursement rates poses significant risks to Medicare beneficiaries' access to care and undermines physicians' investment in their practices. Having some stability upon which business can be planned will allow physicians to move towards a greater focus on quality measurement and improvement.

Phase II

We appreciate the proposal to base future payment rates on a base rate and a variable rate. How these rates are defined will be critical to providing stability and predictability to physician practices. Specifically, we believe that variable value-based updates to providers should not be budget neutral and should reflect cost-savings achieved within Medicare as a result of improved care delivery and efficiency.

The ACC has been at the forefront of the development and collection of quality measures. We believe that most cardiology groups will have no trouble identifying appropriate performance measures that are important to their practice. We are very supportive of the committee's direction on the role of an organization such as the National Quality Forum (NQF) in the performance measurement development process. The NQF has been an integral part of the vetting and review of performance measures. However, a continued focus on limiting measures to those that are broadly applicable has prevented NQF endorsement of many measures developed by organizations such as ACC (in collaboration with others). Therefore we support the opportunity to develop measures that are consistent with the principles of NQF but may not have the broad applicability that is demanded by this process. This would go a long way towards aligning performance measurement with the conditions of the patients treated by particular physician groups.

We are encouraged by the recent passage of legislation to avert the fiscal cliff that allows for successful participation in a registry to count as participation in PQRS. We are hopeful that this legislation could build on that initiative to use the measures reported as part of clinical data registries in the assessment of quality.

We strongly encourage an effort to recognize the improvement of physicians over time in addition to comparisons to peers. The current physician value-based purchasing program only focuses on comparisons to peers when assessing quality. This provides little incentive for improvement for those practices that are particularly high performers. Perhaps more importantly, it provides even less incentive for those low performers whose payment reductions are often capped at a particular level. Efforts should recognize performance both against peers and over time. The hospital value-based purchasing program has done an effective job in taking both of these factors into account. However, there must be

several years of consistent data collection in order to recognize improvement over time. A strong emphasis on reporting data will help to move the program towards this goal.

We are also supportive of the inclusion of clinical practice improvement activities as part of this plan. Encouraging active participation in quality improvement may require more than simple measurement of performance and these activities may help to identify issues of particular interest for a practice.

Phase III

We have been working on the development and implementation of the physician value-based modifier since the ACA passed. This work has taught us that it is going to take considerable time to develop and implement appropriate measures of resource use due to difficult issues associated with attribution and risk adjustment. CMS has been appropriately cautious in the implementation of the value-based modifier by limiting it to large groups and making the applicability of bonuses or penalties optional at first. We would not support legislation that would accelerate the application of bonuses and penalties faster than planned under the current law.

We do not believe that physicians should be rewarded for providing low quality care merely because it is also low cost. For that reason, we support measures of efficiency that require meeting a quality threshold before assessing the resource use.

For both quality and resource use, we support assessment at the group level. While individual physicians must have access to information about their own patients, the relatively small number of patients seen by an individual makes it difficult to assess quality and can lead to wide swings from year to year that could be based on a single expensive patient.

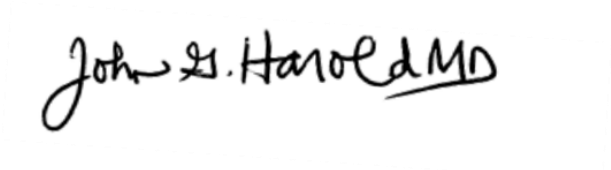
Alternative Payment Models

The ACC supports options open to physicians and others to explore payment models that differ from current methods. For the most part, these models will build on elements of the current models but with more risk for the provider of the service. Opening up these payment models may also require a review of legal restrictions that limit relationships between different providers of service such as physicians and hospitals. Any new payment models must continue to have grounding in the performance measurement that is part of the larger physician payment program. Payment for healthcare services is a continuum which can contain various units of payment and levels of risk. Each of these payments has various advantages and disadvantages and it will take time to determine the appropriate balance.

The ACC appreciates the opportunity to provide feedback to the Committees as they embark on this challenging but critical mission to replace the flawed Medicare physician payment formula. We believe that by working together we can greatly improve healthcare

in the United States while constraining spending growth. We offer ourselves as a resource as you work with your colleagues to transform Medicare reimbursement models.

Sincerely,



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President

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