

MAD NEWS

The Newsletter of the
Massachusetts Academy of Dermatology
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PRESIDENT'S MESSAGE

By Louis Kuchnir MD

It is an honor to be serving as the President of the Massachusetts Academy of Dermatology during these very interesting times. I intend to maintain the Academy's focus on providing education, facilitating advocacy, and fostering collegiality among the state's practicing dermatologists.

Our **Annual Meeting** in Newport included excellent scientific talks by Hensin Tsao and Mina Yaar, practical clinical updates by Peter Heald, Todd Ellerin, Kathy Schwarzenberger, and Michael Kaminer, and fascinating cases presented by Marie-France Demierre. The format was familiar, but updated to encourage free-style dining following cocktail receptions on both evenings. The meeting's budget was supported by a high level of ethically managed sponsorships that served our members' and patients' best interests simultaneously. We are already planning for next fall's annual meeting on October 15-17, 2010 to be in a new venue in Portland, Maine. Please direct your feedback and suggestions for future meetings to any board member or our executive directors.

Please save Wednesday, April 14th to attend the MassAcademy's **Spring Meeting** at the Mass Medical Society Conference Center in Waltham. As usual, the focus of the day-long meeting will be on risk management and political updates. The board is now recruiting speakers who will qualify to provide five hours of Risk-Management CME credits.

As you know, there has been a lot of effort directed at improving our health care system at both the state and federal level. We are committed to staying abreast of the frenetic pace of state payment-reform legislation to best advocate for dermatology. The **Massachusetts reforms** that expanded health coverage to 97.3% of residents have kept our practices busy. (Details are available at www.mass.gov/eohhs.) A 2008 Massachusetts law established a "Special Commission on the Health Care Payment System" to suggest major reform in the way physicians are paid. The

Commission has reported their recommendations to the legislature, which has yet to devise new laws to implement these recommendations – but likely will make next year interesting on Beacon Hill. (The report is available at www.mass.gov/dhcfp.) We recently called members' attention to a Senate bill that would have prevented Massachusetts physicians from negotiating fees higher than 110% of medicare rates for any coverage sold by managed care organizations through the Commonwealth Connector. Prompt public response to our legislators has caused that proposal to be dropped.

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PAYMENT REFORM CONCERNS DERMATOLOGY COMMUNITY

By Paul Wetzel, MAD Executive Director

A little known commission charged by Chapter 305 of the Acts of 2006 to study payment reform burst into the spotlight this fall with recommendations to transition from fee for service to global payments and Accountable Care Organizations (ACO's) within the next 5 years. Just as concerning is the "Roadmap to Cost Containment", put forth by the Massachusetts Health Care Quality and Cost Council (HCQCC), which also proposes global payments for health care providers. Cumulatively, these two documents point to the direction Governor Deval Patrick and the state legislature are moving toward.

The concept of global payments and Accountable Care Organizations (ACO's) derives from the Dartmouth Institute for Health Policy and Clinical Practice and the Engelberg Center for Health Care Reform at the Brookings Institution. The idea is to save money and improve health care quality by providing financial incentives to providers for coordinating patient care through a shared savings program.

Providers will come together to form ACO's that will manage patient care, accept global payments, and allocate payments among its providers. All public and private insurers will contract directly or indirectly with ACO's in global payment arrangements.

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PRESIDENT'S MESSAGE

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Federal health care reform legislation is progressing for better and for worse. At the time that I am writing this, the US Senate has just produced a health care reform bill which includes a new 5% tax on cosmetic services. The Boston Globe contacted the Mass Academy to get our view of this initiative. I believe that this approach unfairly taxes a small set of professional services to pay for a broad expansion of health coverage. The Mass Academy will join the AMA and the AAD in opposing this new concept in health care reform. (The AAD has opposed the bill in its current form – a well-written letter outlining their position is posted at www.aad.org/gov.) Also, CMS has announced an intention to eliminate the consultation codes for E&M visits as of January 2010. We'll continue to monitor all of these developments.

In order to better serve the membership and guide our lobbying efforts, two new committees are needed. A **Committee on Member Services** will be charged with determining the needs of our members and how the Mass Academy can best serve them. This committee may also assess the needs of the relatively few non-member dermatologists in Massachusetts who may wish to become new members. I am pleased to report Dr. Pamela Weinfeld has agreed to serve as chair of the committee. Also a **Committee on Legislative Affairs** will be formed to provide direction to our lobbyist and guide the board in forming positions on new legislation. Dr. Ira Skolnik has volunteered to chair this committee. We are eager to involve more members in these endeavors. It would be a great way to learn more about the organization and help to make it more effective. If you are interested in serving on one of these two new committees, please let me know so that we can arrange to include you. Contact me directly or Paul Wetzal at 781-982-8899.

Finally, you will be receiving your invoice for the 2010 membership dues of \$250. I encourage you to return your payment promptly. The dues revenue is an important part of our budget, which allows us to conduct our member programs and maintain our staff people.

I wish each of you a Happy Holiday Season!

Louis

PAYMENT REFORM

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In the “shared savings” model envisioned by the Commission, payers and ACO's establish budget targets for the total health spending of ACO members. Payers may continue to make payments on a fee for service basis. At the end of the year, the actual and target spending are reconciled. If the actual spending is less than the target, and the ACO has met access and quality metrics, the ACO, payers, employers, and consumers share the difference.

Although details on the Payment Reform Commission and the HCQCC's concept of global payments and ACO's, and how they would be implemented in Massachusetts, are vague at this point, the MMS and other provider organizations have already raised questions and concerns in written and oral testimony before the Health Care Finance Committee.

Their overall assessment of ACO's and global payments is, in short, “too much, too fast.” We question the necessity of such a drastic transition statewide when other, less drastic approaches to cost containment are currently available and may work equally well to reduce health care costs in the long term. Moreover, as this approach is still experimental, they suggest that the risk of unintended consequences is very high, and could ultimately jeopardize patient access to innovative services and new technology, particularly in the areas of outpatient surgical and diagnostic services. Lastly, adoption of global payments in Massachusetts may very well worsen the physician practice environment and hinder physician recruitment and retention efforts.

Providers call for any action towards statewide adoption of global payments to be slow and voluntary, and should begin with pilot projects, with outcomes closely monitored, and fully transparent. Within that context, the MAD appreciates the Commission's recognition of the fact that fee for service should continue to exist within a global payment system. That will mitigate, but not eliminate some risk to providers and to patient's access to necessary health care services.

Reminiscent of the 1990's era of capitation, the global payment model raises concerns of rationing and reduced access to care, despite the Payment Reform Commission's assurances that “this is different.”

Before mandating statewide payment reform, the MMS and others have suggested that the Commonwealth implement the following “tried and true” cost savings initiatives first:

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PAYMENT REFORM

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- Medical liability reform
- Anti-Trust relief for physicians
- Health plan redesign
- Administrative Simplification
- Consumer engagement
- Primary care workforce development and expansion of the medical home
- Expansion of electronic medical records

Recognized by the Payment Reform Commission as “Complimentary Strategies”, each one of these concepts, whether implemented individually or jointly, will reduce health care costs in Massachusetts.

So where are we now? The recommendations of the Payment Reform Commission remain just that – recommendations. Any change in the current fee for service system will require statutory changes which can only be done through the passage of legislation. At this time, it is expected that a bill will be filed by the Governor, or a state legislator, possibly by the end of the year. But even if filed, no formal action can be taken on that bill because the legislature is in recess for the rest of the year. The time period for action, if any, on payment reform will be between January through July 31, 2010, the end of the 2009/10 legislative session. So we have time. Time to educate ourselves, our members and most importantly, our state officials as to the concerns of physicians and our patients.

A copy of the Payment Reform Commission recommendations can be found at:

www.mass.gov/dhcfp/paymentcommission.

MAD Annual Meeting Elects New President

At its annual meeting in Newport, RI, the membership of the Massachusetts Academy of Dermatology elected Dr. Louis Kuchnir as its 2009-2010 president. Dr. Kuchnir, a Marlborough dermatologist, who has served on the MAD Board since 2007, succeeds Dr. Kathryn Bowers.

In addition, Drs. Marilyn Capek and Pamela Weinfeld were elected to serve as Directors at Large for three- year terms.

After hearing from MAD Treasurer Dr. Steven Ugent, the membership voted to maintain annual membership dues at \$250.

MAD Legislative Report

By Martin Cohn, MAD Associate Director

The Massachusetts Legislature went into recess until January, 2010 without the Joint Committee on Public Health releasing either of the bills in which we have an interest.

We have been supporting Senator Timilty’s bill that further restricts tanning beds (S.903) and opposing Senator Menard’s proposed bill relative to medi spas (S.836).

While the legislature is holding informal sessions, it would be helpful if you can call your state senator or state representative to voice your concern over the fact that we are not being given the opportunity to have a full discussion on these bills. If you have any questions, please call me at 617-962-3136.

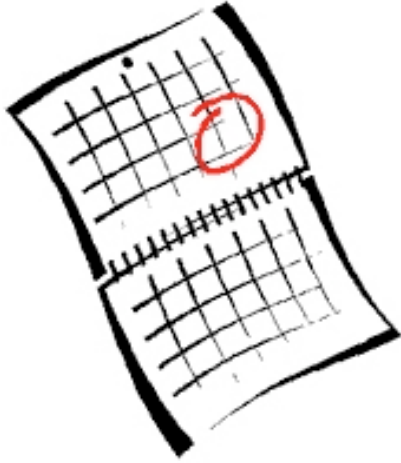
I would like to thank all of you who took the time to call the State House in opposition to S.2170, a bill that would require physicians and all other health care providers to accept 110% of Medicare rates for health insurance for small businesses. For physicians, acceptance of set rates would be as a condition of licensure! Moreover, physicians would have to accept all such patients – and such rates - if they participate in any other plan offered by that insurer. It appears that the Committee on Healthcare Financing heard from enough physicians that the bill appears dead.

We are planning for our annual State House Skin Screening for the spring of 2010. Unfortunately, we have not been able to set a date with the State House but hope to do so within the next few weeks. As soon as we have the date, you will receive notification so that you will have the opportunity to help out.



www.massacademyofdermatology.org

SAVE THE DATES!



2010 SPRING MEETING: Wednesday, April 14
Mass Medical Center Conference Center
Waltham, MA

2010 ANNUAL MEETING: October 15-17
Portland Regency Hotel & Spa
Portland, ME

FOR MORE INFO, VISIT

WWW.MASSACADEMYOFDERMATOLOGY.ORG



Mass Academy of Dermatology
167 Washington Street
Norwell, MA 02061
781.982.8899