AMERICAN SOCIETY OF HEMATOLOGY
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November 12, 2013

Senator Max Baucus
Chairman
Committee on Finance
U.S. Senate
511 Hart Senate Office Building
Washington, DC 20510

Representative Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
341 Cannon House Office Building
Washington, DC 20515

Senator Orrin Hatch
Ranking Member
Committee on Finance
U.S. Senate
104 Hart Senate Office Building
Washington, DC 20510

Representative Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1236 Longworth HOB
Washington, DC 20515

Dear Senator Baucus, Senator Hatch, Representative Camp, and Representative Levin:

The American Society of Hematology (ASH) appreciates the opportunity to offer the Society's comments regarding the Senate Finance and House Ways and Means Committees' proposed legislation to repeal the sustainable growth rate (SGR) formula and reform Medicare's physician fee for service payment system. ASH represents approximately 14,000 clinicians and scientists committed to the study and treatment of blood and blood-related diseases, including blood cancers such as leukemia, lymphoma and myeloma, and nonmalignant illnesses such as anemias, thrombosis and bleeding disorders. ASH's mission is to promote the understanding, prevention and treatment of blood disorders and improve healthcare and outcomes for patients with hematologic disease.

For your reference, ASH's recent letters to Congress on this issue are hyperlinked below.

- Letter to House Energy and Commerce Committee (7/09/13)
- Letter to House Energy and Commerce Committee (6/10/13)
- Letter to Senate Finance Committee (5/31/13)
- Letter to House Energy and Commerce and Ways and Means Committees (4/15/13)

ASH's comments, concerns and questions related to the major elements of the proposed Senate Finance and House Ways and Means Committees' proposed legislation are summarized as follows:

Repeal of the SGR and a Period of Stable Payment Rates
ASH strongly supports the repeal of the SGR formula. The continued threat of massive reductions in physician payment due to the SGR, overcome at the last minute by temporary legislative rescues, is an ineffective and counterproductive way for the

Medicare program to operate. Given the multiple changes in Medicare and new requirements for physicians, physician practices need a period of stable payment rates to avoid interrupting patient access and further tumult in the system.

While ASH is very supportive of mandating a minimum period of predictable payment rates, the Society asks the Committees to consider a shorter period of 5 to 7 years. ASH understands that the 10 year freeze in payments is being proposed to hold down the costs of the legislation. Please recognize that a freeze in fees will be a decrease in real dollars and the costs of running a practice very likely will continue to increase.

ASH is also concerned that setting payment updates at 1 percent for physicians not participating in Alternative Payment Models (APMs) (and at 2% for those in APMs) starting in 2024 is inappropriate as it has no relation to the actual inflation in physician practice costs. Given the historic rates of inflation in supplies, clinical salaries, rent, equipment, etc., this portends a massive reduction in real physician income in the out years.

Value Based Performance (VBP) Payment Program

ASH recognizes and supports the Committees' interest in reforming the fee for service payment system to instill incentives to pay for services of value. It is very challenging to develop programs that result in greater value and most importantly, better patient outcomes. Combining elements of the existing Medicare quality programs – Physician Quality Reporting System (PQRS), Value-Based Modifier (VBM), and Electronic Health Record (EHR) – Meaningful Use (MU), and alternative payment models into a single program with coordinated requirements and incentive payments should ease some of the burdens of the existing programs. Yet, ASH remains concerned that physician participation rates in PQRS are low, most physicians and hospitals are having difficulty meeting the requirements of the EHR-MU stage 2 and the VBM program is just in its infancy. It is probably not realistic to think that the Committees' proposed VBP reporting requirements can begin in 2015 or even in 2016 in order to provide bonus payments or to penalize physicians for non-compliance in 2017.

ASH suggests a phased-in approach to the VBP and the components proposed by the Committees be instituted based on their readiness to be broadly adopted by the physician community. While physicians have had the most experience with the reporting of quality measures under PQRS, many of the program's early measures will be retired within the next couple of years due to their success and incorporation into most practices. This is definitely the case in hematology where there are limited quality measures available to hematologists (many of which will be retired shortly) and it will take several years to develop a sufficient number of measures for all subspecialists in hematology to be able to participate. ASH strongly believes that the VBP program should not penalize specialists and subspecialists who do not participate in a quality performance program because there are no measures related to their very focused clinical practice, especially those who care for patients with rare diseases. ASH also recommends that the VBP recognize and credit physicians who participate in qualified specialty society registries (and provide greater flexibility in including registries in the program) as a means to meet the quality reporting requirements of the VBP.

ASH is concerned with the rapid inclusion of resource measures in the VBP. The efficiency measures in Medicare's Value-Based Modifier program are extremely limited and are not ready to be extended to all physician practices. The Committees' description of resources use measures needs further clarity – ASH's questions include:

1. How will resources be measured?
2. What adjustments will be made for specialists or patient mix?
3. Can this be implemented in a fair and equitable manner for physicians in different specialties and practice sites?

CMS is just beginning to develop ways to assess resource use. ASH does not believe that these measures are ready to be included in a physician's composite score for VBP for 2017.

ASH would greatly appreciate more information on the funding of the VBP and the assumptions being made on physician participation, anticipated bonus payments and penalties. It is not clear how individual physicians (or groups) will be graded under the four categories of the program. Will physicians that meet the requirements in two categories be able to receive a partial bonus? Will physicians be penalized if the requirements of any of the four categories are not met? As discussed above, since most of the programs the Committees have included in the VBP are still being developed and not fully tested, ASH asks that physicians not be penalized under the VBP.

ASH Recommendation to Develop "Deeming" Process

ASH would also suggest that the Committees consider a new approach to the development of quality measures and clinical practice improvement activities. ASH would like the Committee to consider a process by which specialty society programs could be deemed to meet CMS' standards for quality and clinical practice improvement program development. CMS could set standards for measure development and measures developed by societies (or other organizations) that follow these standards would be included in the Medicare program. It would be the responsibility of the "deemed" organizations to review and collect data on the measures they develop and to update or eliminate measures as appropriate. This would be a process somewhat analogous to that used by the Accreditation Council for Continuing Medical Education (ACCME) to set and enforce standards in physician continuing education within the United States. ACCME acts as the deeming or overseeing body for institutions and organizations providing continuing medical education activities. This process would allow medical societies to move much more rapidly to meet the need for quality measures.

Alternative Payment Models

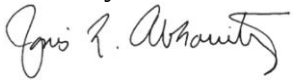
ASH is concerned that specialists', such as hematologists', participation in ACOs and medical homes have been extremely limited and therefore, most physicians in our specialty cannot take advantage of the bonus payment provided by the Committees' bill. ASH urges you to consider alternative payment models, beyond ACOs and medical homes, which would encourage participation by hematologists and other specialists.

Transparency of Physician Medicare Data

ASH does not oppose the public release of quality, utilization, or payment data to Medicare beneficiaries, but remains concerned with the inaccuracies of CMS' Physician Compare Website. It is critically important that additional data components not be added to this website until it is able to handle the current program requirements. Physicians should always be able to review and correct their data before it is released to the public.

ASH would welcome the opportunity to meet with you to further discuss the Society's questions and concerns. If you have any questions or would like additional information, please have your staff contact ASH Government Relations and Practice Manager Stephanie Kaplan at *skaplan@hematology.org* or 202-776-0544.

Sincerely,



Janis L. Abkowitz, MD
President