

October 26, 2009

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Max Baucus
Chairman, Finance Committee
U.S. Senate
Washington, D.C. 20510

The Honorable Chris Dodd
U.S. Senate
Washington, D.C. 20510

Dear Majority Leader Reid, Chairman Baucus, and Senator Dodd:

The undersigned organizations are committed to the reporting of data for the purposes of improving quality of care. However, we cannot support the amendment offered by Sen. Judd Gregg (amendment #10) and approved by the Health, Education, Labor and Pensions Committee on June 18 because of the use of administrative claims data for public reporting and “quality improvement.” As health care reform legislation moves forward in the Senate, we ask that Section 205 (e) “Pilot Programs to Develop, Validate, and Improve Methods Used to Support the Nationwide Quality Measurement and Reporting Strategy” of the Gregg amendment be removed.

We believe that the amended language under subsection (e) contradicts the movement underway by professional medical societies and the Centers for Medicare and Medicaid Services to use clinical data as the basis for assessing performance and engaging in quality improvement activities. The amended language specifically undercuts these efforts by granting insurers and other entities access to Medicare administrative claims data, in a provider-identifiable format, for the development of “quality” reports. Furthermore, the amended language does not *require* that “quality” reports be developed using clinical data when it exists in lieu of or in conjunction with claims data.

Medicare claims, or cost, data *alone* cannot be appropriately risk adjusted and is too limited to provide reliable information on quality of service and outcomes. In fact, when claims data are reported apart from clinical data, it is likely to exacerbate care disparities and attention to true quality improvement activities. Based on private sector experience, when claims data are used to profile or rate physicians, patients are steered, often through lower co-pays and deductibles, to selected physicians because they are deemed less expensive rather than on the basis of the quality of care they provide. The end result is risk aversion by physicians of high-cost patients, which ultimately will impede access to care for those in greatest need, exacerbate health care disparities, and increase, not lower, health care costs.

In summary, the consequences of reporting flawed data based on Medicare claims are great, including tarnishing professional reputations and putting patients at risk by steering them to physicians and institutions that do not merit a high ranking. Additionally, public reporting based on claims data will divert limited resources away from meaningful quality improvement. We hope you will reconsider the amended language by removing Section 205 (e).

Sincerely,

American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Neurology Professional Association

American Academy of Ophthalmology
American Academy of Otolaryngology-Head and Neck Surgery
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Emergency Physicians
American College of Osteopathic Family Physicians
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Association
AMDA--Dedicated to Long Term Care Medicine
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Psychiatric Association
American Society for Gastrointestinal Endoscopy
American Society for Radiation Oncology
American Society of Anesthesiologists
American Society of Clinical Oncology
American Society of Hematology
American Society of Plastic Surgeons
Congress of Neurological Surgeons
Heart Rhythm Society
International Federation of Facial Plastic Surgery Societies
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
North American Spine Society
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgeons
Society of Hospital Medicine
Society of Nuclear Medicine
The Society of Thoracic Surgeons