

## American Medical Association (AMA): Better Guidelines Key to Slow Spending

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The AMA, health plans, hospitals, insurers and other groups pledged, in a May 11 statement, to help Obama restrain health spending. Their June 1 follow-up laid out more specifics through 26 pages of proposals that they estimate could slow the growth of health spending by at least 1 trillion to 1.73 trillion dollars over 10 years. The groups did not specify a potential savings figure for each idea.

America's Health Insurance Plans offered to support a mandate on insurers to standardise and automate five key health plan administrative transactions: claims submissions, eligibility, claims status, payment and remittance. It would require that health plans adopt the standards of the Council on Affordable Quality Healthcare's Committee on Operating Rules for Information Exchange. The council is a collaboration of more than 100 health industry stakeholders, including the AMA, other physician organizations, and the Centers for Medicare & Medicaid Services. The group said standardising health plan transactions would increase efficiency in a way similar to the banking system's embrace of automated teller machines.

The AMA said better care guidelines and improved adherence to existing ones could save billions. For example, the AMA's Physician Consortium for Performance Improvement is developing evidence-based guidelines to reduce unnecessary diagnostic imaging and surgical treatments for back pain. However, the AMA noted that evidence-based guidelines are not enough to reduce overutilisation.

"We need medical liability reforms that help physicians provide the best care without needing to order additional services to guard against possible lawsuits," said AMA President Nancy H. Nielsen, MD, PhD. Democrats have not unveiled medical liability reform proposals as part of national health system reform.

The AMA also noted ongoing work to reduce hospital readmissions. PCPI and other groups are working on care guidelines for the 30 days following a hospital discharge. The AMA also is working on an electronic information tool that will help transfer better information between hospitals and physicians.

Other proposals are already in progress, too. The American Hospital Assn., for example, proposed several measures to reduce certain hospital-acquired conditions. But CMS already issued, among other rules, a final rule effective Oct. 1, 2008, that ended Medicare pay for hospitals at the higher diagnosis-related group rate for 10 such conditions.

Dr. Nielsen said patients can become the seventh partner in this effort to curb health spending growth. "The combination of large-scale national initiatives and efforts by individuals to engage in prevention and wellness efforts is key to reducing spiraling health costs, preventing chronic disease and keeping America healthy."

Lawmakers' reaction to the savings proposals was tepid. Sen. Charles Grassley (R, Iowa), the highest-ranking GOP member on the Finance Committee, said the Congressional Budget Office, which estimates the costs and potential savings of legislation, will have the final word.

"I'm skeptical that these proposals will add up to anywhere near 2 trillion dollars," he said. (source: AMA)

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