Society of Hospital Medicine
Hospitalists. Transforming Healthcare.
Revolutionizing Patient Care.

1500 Spring Garden Street
Suite 501 | Philadelphia, PA 19130
P: 800-843-3360 | F: 267-702-2690
www.hospitalmedicine.org

February 24, 2014

The Honorable Ron Wyden
Chairman, Senate Finance Committee
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member, Senate Finance Committee
United States Senate
Washington, DC 20510

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

The Honorable Sander Levin
Ranking Member, Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

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

The Honorable Henry Waxman
Ranking Member, Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Wyden, Camp and Upton and Ranking Members Hatch, Levin and Waxman:

On behalf of our more than 12,000 members and over 44,000 practicing hospitalists nationwide, the Society of Hospital Medicine (SHM) writes to thank you for jointly introducing H.R. 4015/S. 2000, the "SGR Repeal and Medicare Provider Payment Modernization Act of 2014." Hospitalists are ready to assist in developing innovative new ways to pay providers while simultaneously improving patient outcomes and overall population health. We are pleased to offer our support of this legislation and urge identification of appropriate offsets to ensure its enactment prior to the SGR going into effect on April 1, 2014.

SHM greatly appreciates the time and resources that your committees have spent on developing this bipartisan, bicameral legislation. It addresses many aspects of reforming the physician payment system, by repealing the SGR and moving towards value-based payment models. Specifically, we are encouraged that the Act would:

- Ensure a period of payment stability;
- Align disparate Medicare incentive and penalty programs for physicians;
- Reward for the value of services provided and quality improvement;

- Allow the Secretary to use quality measures from other payment systems, like Hospital Value-Based Purchasing;
- Facilitate the development of quality measures for reporting; and
- Enable physicians to review their publicly reported data.

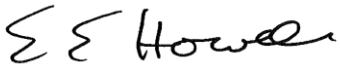
Despite our support for the legislation, we remain concerned with the following aspects of the new MIPS program and the potential for unintended negative consequences for hospitalists:

We appreciate the acknowledgement within the legislation that certain MIPS domains could be inapplicable to certain providers; however the current legislative language seems to only grant enough flexibility to the Secretary to adjust weighting for the domains we are concerned that merely shifting the weighting of domains could inadvertently disadvantage hospitalists. Most hospitalists will be considered hospital-based EPs under Meaningful Use policy and therefore ineligible to participate, which would render that MIPS domain inapplicable for reporting. This could result in hospitalist being more heavily weighted in domains like resource use or outcomes measures – areas that are more difficult to control than an "all-or-nothing" domain like Meaningful Use. To ensure the Secretary has the flexibility to remedy this problem, we suggest that the legislative language more closely mirror the stated intent within the legislative summary. The summary reads as follows: "Scoring weights for performance categories, measures, and activities may be adjusted as necessary, to account for a professional's ability to successfully report on such category measure or activity and **to ensure that individuals are measured on an equitable basis**."

SHM concurs that movement towards alternative payment models (APMs) is critical to reforming the healthcare system. However, we would like to reiterate our concern that hospitalists are generally not in a position where they can control whether their affiliate institution participates in an APM. In addition, their employment structures and practice patterns will often make it difficult, if not impossible, to trace percentages of revenue directly to individual hospitalists or groups of hospitalists. SHM supports the concept that participants need to be invested substantially and demonstrably in an APM and in many instances revenue percentages may work as an indicator. But for hospitalists, revenue alone is unlikely to be a good marker for committed participation. Other means should be available for providers to demonstrate a vested interest as an APM participant.

SHM commends the hard work and effort that has gone into this legislation. It represents a great opportunity to make a significant reform in the healthcare system while finally doing away with the flawed SGR payment model. We support the legislation and stand ready to provide assistance in securing its passage. If you have any questions or require further information, please contact Josh Boswell, SHM Senior Manager of Government Relations at 267-702-2632 or jboswell@hospitalmedicine.org.

Sincerely,



Eric Howell, MD, SFHM
President
Society of Hospital Medicine