



MGMA Healthcare Reform Principles

As Congress and the administration consider reforms to our nation's healthcare system, the Medical Group Management Association outlines its principles:

Fix the Medicare physician payment system. The Medicare physician payment system must adequately reimburse medical practices for the costs of providing patient care. Projected reductions in physician payments will be disastrous for Medicare beneficiaries and physician practices. Medicare's financing structure needs to be revised so physicians receive credit under Part B for savings they achieve in Part A. Approaches to create joint incentives for providers to coordinate and improve care and achieve cost efficiencies should be tested for feasibility before widespread implementation.

Simplify administrative transactions. Healthcare reform must include significant provisions to standardize administrative processes and formats to reduce unnecessary costs to physician practices and health plans, and to facilitate efficient, cost-effective care. As a first step, MGMA advocates for implementing an electronic claim-attachment standard, a national health plan identifier regulation and machine-readable insurance identification cards, which have the potential to reduce costs by \$40 billion over 10 years.¹

Enact meaningful medical liability reform. Liability reform is critical to the healthcare system. Defensive medicine and liability insurance premiums are significant drivers of healthcare costs. Legislation that seeks to transform healthcare should include meaningful liability reform.

Expand coverage. Improving access to health insurance is the first step toward ensuring that all Americans have timely access to healthcare services. MGMA supports building on the current employer-based system while improving the insurance market to create better access to coverage for small businesses and individuals. Health plans should be subject to the highest levels of state and federal accountability for fair business practices. Any government-sponsored initiatives to expand coverage should not base physician payment rates on Medicare.

Improve quality and safety. Physicians, not government, should develop clinical guidelines, measures and tools to help physicians improve quality and safety. The federal government should invest more in research to fill gaps in knowledge about the most effective health-promotion strategies.

Promote the adoption of health information technology. Broad adoption of connected, interoperable health information systems will help achieve quality-improvement goals, but that requires continued government investments in infrastructure. Health information systems have the potential to improve clinical care and reduce costs if practical implementation factors, such as usability, are carefully considered.

1. MGMA Legislative and Executive Advocacy Response Network study, April 2009: The Costs of Administrative Complexity

mgma.com

Visit MGMA's Healthcare Reform Resource Center at mgma.com/healthcarereform for the latest news, MGMA letters and detailed comments, and links to the MGMA Member Community expert-moderated e-group.