

JUNE 14, 1988

TALKING POINTS
AMERICAN SOCIETY OF PLASTIC
AND RECONSTRUCTIVE SURGEONS

WE, IN CONGRESS, AND YOU THE PHYSICIANS, HAVE
BEEN CONCERNED WITH OUR SOMETIMES ERRATIC
POLICY OF PHYSICIAN REIMBURSEMENT. WE MUST
WORK TOWARDS DEVELOPING A POLICY THAT MAKES
SENSE AND IS FAIR.

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- O THE LAST FOUR YEARS HAVE SEEN A NUMBER OF
LARGELY TEMPORARY BUT IMPORTANT CHANGES IN
REIMBURSEMENT. WE HAVE HAD A SERIES OF FEE
FREEZES AND THE CREATION OF THE PARTICIPATING
PHYSICIAN PROGRAM.
- O TO BE FRANK THE FEE FREEZES HAVE BEEN
TEMPORARY MEASURES DESIGNED TO GIVE US TIME
TO COME UP WITH REAL REFORM. IT ISN'T GREAT
POLICY -- ITS JUST SIMPLE.

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O AS YOU KNOW, SOME HAVE ARGUED THAT

PHYSICIANS SHOULD BE PAID BY THE SAME

PROSPECTIVE PAYMENT SYSTEM THAT WE USE TO

PAY HOSPITALS. I BELIEVE THAT SO-CALLED

"PHYSICIAN DRGS" MUST BE CAREFULLY EVALUATED

BEFORE BEING CONSIDERED A METHOD OF

PAYMENT FOR THE MEDICARE PROGRAM.

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O WE ARE EAGERLY AWAITING THE
RECOMMENDATIONS FROM THE HARVARD STUDY.
WE AGREE THAT WE SHOULD MOVE AWAY FROM THE
OLD PAYMENT METHOD AND TOWARDS A FEE
SCHEDULE BASED ON A "RELATIVE VALUE SCALE"
THAT CONSIDERS RESOURCES AS A BASE TO
DETERMINE A FAIR PAYMENT.

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O IT SEEMS TO ME THAT WE OUGHT TO STICK TO THAT
APPROACH OF DEVELOPING A RESOURCE BASED
PAYMENT METHOD RATHER THAN LUMP PAYMENT
INTO THE HOSPITAL DRG PAYMENT.

-6-

O FINALLY, AS A WAY OF RELIEVING THE BURDEN ON
OUR ELDERLY AND DISABLED I HOPE THAT WITH
YOUR HELP WE WILL INCREASE THE NUMBER OF
PHYSICIANS WHO ACCEPT MEDICARE'S ALLOWANCE
AS THEIR FULL PAYMENT; BUT I CONTINUE TO
OPPOSE ALL EFFORTS TO FORCE DOCTORS TO
ACCEPT ASSIGNMENT. THIS STRUGGLE WILL BE WON
ONLY IF ALL SIDES WORK TOWARDS FAIRNESS AND
EQUITY.

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O SOME PEOPLE HAVE SAID THAT OUR HEALTH SYSTEM IS IN CRISIS. PERHAPS SO. BUT IT IS ALSO THE BEST HEALTH SYSTEM IN THE WORLD . AND OUR PHYSICIANS AND SURGEONS ARE THE MOST SKILLFUL AND TALENTED. A CRISIS IS NOT ONLY A TIME OF UNCERTAINTY BUT ALSO A WINDOW OF OPPORTUNITY. WE MUST USE THIS TIME TO EXAMINE OLD ASSUMPTIONS, LOOK AT NEW INNOVATIONS, AND WORK TOGETHER TO IMPROVE UPON THE HEALTH CARE FOR ALL AMERICANS.

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OTHER KEY HEALTH ISSUES

O IN ADDITION TO PHYSICIAN PAYMENT REFORM THE
CONGRESS WILL ALSO LIKELY TURN ITS ATTENTION
TO THREE OTHER CRITICAL ISSUES:

1. LONG-TERM CARE
2. AIDS
3. MATERNAL AND CHILD HEALTH CARE

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LONG-TERM CARE

O THE CONGRESS ONLY RECENTLY AGREED TO A
PROPOSAL WHICH PROVIDES COVERAGE FOR
CATASTROPHIC ILLNESS EXPENSES AND
PRESCRIPTION DRUGS FOR THE ELDERLY.

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O DURING THE DEBATE ON CATASTROPHIC, A GREAT
MANY SENATORS INDICATED THEIR CONCERN THAT
WHILE WE WERE MAKING PROGRESS IN HELPING TO
PROTECT THE ELDERLY AGAINST SOME
OUT-OF-POCKET COSTS -- THE REAL PROBLEM WAS
THE LACK OF COVERAGE FOR LONG-TERM CARE.

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- O IT IS MY BELIEF THAT THIS PROBLEM WILL BE A HIGH PRIORITY FOR ANY NEW ADMINISTRATION AND THE SOLUTION IS UNLIKELY TO BE SIMPLY THE CREATION OF AN ENTIRELY NEW FEDERALLY FINANCED ENTITLEMENT PROGRAM.
- O THE CONGRESS IN HAVING REJECTED THE SO-CALLED PEPPER BILL WHICH WOULD HAVE COST APPROXIMATELY \$30 BILLION AND ONLY PROVIDED HOME CARE -- IS AN INDICATION OF THE DESIRE TO FIND A REASONABLE AND RESPONSIBLE ANSWER.

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- O THE SOLUTION LIES WITH A MIX OF PRIVATE AND PUBLIC SECTOR FINANCING, AND WITH PLANS THAT LET PEOPLE CHOOSE THE TYPE OF CARE THEY WANT.
- O LETS LET PEOPLE STAY HOME IF THEY WANT TO -- OR USE INSTITUTIONAL SERVICES IF THEY PREFER. PHYSICIANS, FAMILIES AND PATIENTS ARE IN THE BEST POSITION TO MAKE THOSE DECISIONS.

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AIDS

- O THE NEXT KEY ISSUE THAT IS CONSUMING MORE AND MORE OF OUR TIME AND RESOURCES IS AIDS.
- O A YEAR AGO, I INTRODUCED LEGISLATION THAT ESTABLISHED THE PRESIDENTIAL AIDS COMMISSION. AFTER A ROCKY START, UNDER THE STRONG LEADERSHIP OF ADMIRAL WATKINS, THE COMMISSION HAS COMPLETED ITS WORK.

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- O THE RECOMMENDATIONS THEY HAVE MADE WILL
HELP GIVE US A CLEAR DIRECTION IN WHAT WE MUST
DO TO COMBAT THIS TERRIFYING CONDITION.
- O THE ANSWERS WILL NOT BE SIMPLE NOR EASY TO
IMPLEMENT. CLEARLY THERE IS MUCH SENSITIVITY
OVER THE ISSUE BECAUSE OF THE MULTITUDE OF
PROBLEMS THAT HAVE ARISEN -- SOME OF WHICH
ARE CAUGHT UP IN A DEBATE OVER MORALS.

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- O HOWEVER, I BELIEVE WE HAVE TO GET BEYOND OUR
DIFFERENCES AND FIND SOLUTIONS THAT BOTH
PROVIDE RELIEF TO THOSE WHO HAVE THE
CONDITION AND PROTECTION TO THOSE WHO ARE
UNINFECTED. NOT ANY EASY BALANCE TO REACH.
- O EMPHASIS CLEARLY MUST BE PLACED ON
EDUCATION AND PREVENTION EFFORTS AS WELL
AS ON THE CARE OF THE SICK.
- O WE ARE LOOKING TO THE HEALTH
PROFESSIONALS TO HELP US WITH THIS EFFORT.

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MATERNAL AND CHILD HEALTH

- O THE LAST ISSUE I MIGHT TOUCH ON IS THE NEED FOR ACTION TO IMPROVE THE HEALTH STATUS OF WOMEN AND CHILDREN IN THIS COUNTRY.
- O IT IS A SAD COMMENTARY THAT A NATION SUCH AS OURS WHICH HAS SO MUCH TO OFFER, CONTINUES TO LAG BEHIND OTHER INDUSTRIALIZED NATIONS IN GIVING OUR CHILDREN A CHANCE TO LIVE HEALTHY AND PRODUCTIVE LIVES.

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- O IN RECENT YEARS, WE HAVE MADE PROGRESS IN
INCREASING ACCESS TO PRENATAL AND WELL CHILD
CARE SERVICES BY THE POOR IN THIS COUNTRY --
BUT MUCH REMAINS TO BE DONE.
- O THE FINANCE COMMITTEE HAS BEGUN A SERIES OF
HEARINGS TO HELP US IDENTIFY HOW BEST TO
PROCEED. FRANKLY ONE OF THE MORE DIFFICULT
ISSUES WILL BE THE PROBLEM WITH THE COST OF
MALPRACTICE INSURANCE.

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- O AS YOU KNOW THE CURRENT CRISIS IN THE
AVAILABILITY AND COST OF MALPRACTICE
INSURANCE HAS HIT THE OB/GYN SPECIALTY
PARTICULARLY HARD. IN SOME INSTANCES THIS HAS
LED TO A REDUCTION IN ACCESS TO SERVICES.
- O WHILE NOT SURE THAT THERE IS A FEDERAL
SOLUTION TO THIS PROBLEM -- IT IS CERTAINLY
SOMETHING WE HAVE TO ADDRESS.

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CONCLUSION

- O SPENDING ON HEALTH CARE CONTINUES TO
INCREASE AT RATES THAT FAR EXCEED THE COSTS
OF OTHER ASPECTS OF THE ECONOMY.
- O THIS PROBLEM WILL CONTINUE TO FORCE US TO
LOOK FOR BETTER WAYS OF DOING THINGS IN A
MORE COST EFFECTIVE MANNER. IT WILL ALSO
FORCE US TO EXAMINE CAREFULLY OUR SPENDING
PRIORITIES.

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O THIS CONCERN WITH COST, HOWEVER, SHOULD NOT
OVERSHADOW OUR DESIRE TO MAINTAIN WHAT I
BELIEVE TO BE THE FINEST HEALTH CARE SYSTEM IN
THE WORLD.

O WE ARE GOING TO NEED THE HELP OF SPECIALTY
ORGANIZATIONS LIKE YOUR OWN TO HELP US
DECIDE HOW BEST TO BALANCE OUR PRIORITIES. IN
THE ABSENCE OF YOUR INPUT -- OTHERS WILL
CERTAINLY MAKE THESE DECISIONS FOR YOU.

AMERICAN SOCIETY OF
PLASTIC AND RECONSTRUCTIVE
SURGEONS, INC.

May 27, 1988

The Honorable Robert Dole
141 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Dole:

The American Society of Plastic and Reconstructive Surgeons (ASPRS) annually holds a leadership conference in Washington to discuss public affairs issues important to our specialty. This year's conference will be held June 14-15 at the Grand Hyatt. Over 75 plastic surgeons are expected.

We would very much like to have you address our meeting on Tuesday, June 14th. Our schedule would call for you to begin at 11:30 a.m., speak for 20 minutes, and conclude with questions-and-answers by 12 noon. We will make whatever arrangements are necessary to expedite your travel back and forth to the hotel. Naturally, we plan an appropriate honorarium for the occasion.

ASPRS has been very active on health issues, especially those involving reimbursement and utilization policy. Your involvement over the past several years on all issues of health care is of great interest to us, as is your view of the future direction of Congressional action in this area.

We hope that your schedule will permit acceptance of our invitation. Please contact me at 202-223-6222 if you have any questions.

Sincerely,

John

J. H. Kent

J. H. Kent
Washington Representative

have other members sphygwell.
Roth sphyg.
at 1:00

\$2,000 honor budgeted for each speaker

June 14, 1988

TALKING POINTS
AMERICAN SOCIETY OF PLASTIC AND RECONSTRUCTIVE SURGEONS

We, in Congress, and you the physicians, have been concerned with our sometimes erratic policy of physician reimbursement. We must work towards developing a policy that makes sense and is fair.

- o The last four years have seen a number of largely temporary but important changes in reimbursement. We have had a series of fee freezes and the creation of the participating physician program.
- o To be frank the fee freezes have been temporary measures designed to give us time to come up with real reform. It isn't great policy -- its just simple.
- o As you know, some have argued that physicians should be paid by the same prospective payment system that we use to pay hospitals. I believe that so-called "physician DRGs" must be carefully evaluated before being considered a method of payment for the medicare program.
- o We are eagerly awaiting the recommendations from the Harvard Study. We agree that we should move away from the old payment method and towards a fee schedule based on a "relative value scale" that considers resources as a base to determine a fair payment.
- o It seems to me that we ought to stick to that approach of developing a resource based payment method rather than lump payment into the hospital DRG payment.
- o Finally, as a way of relieving the burden on our elderly and disabled I hope that with your help we will increase the number of physicians who accept Medicare's allowance as their full payment; but I continue to oppose all efforts to force doctors to accept assignment. This struggle will be won only if all sides work towards fairness and equity.
- o Some people have said that our health system is in crisis. Perhaps so. But it is also the best health system in the world. And our physicians and surgeons are the most skillful and talented. A crisis is not only a time of uncertainty but also a window of opportunity. We must use this time to examine old assumptions, look at new innovations, and work together to improve upon the health care for all Americans.

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OTHER KEY HEALTH ISSUES

- o In addition to physician payment reform the Congress will also likely turn its attention to three other critical issues:
 1. Long-term care
 2. AIDS
 3. Maternal and child health care

LONG-TERM CARE

- o The Congress only recently agreed to a proposal which provides coverage for catastrophic illness expenses and prescription drugs for the elderly.
- o During the debate on catastrophic, a great many senators indicated their concern that while we were making progress in helping to protect the elderly against some out-of-pocket costs -- the real problem was the lack of coverage for long-term care.
- o It is my belief that this problem will be a high priority for any new administration and the solution is unlikely to be simply the creation of an entirely new Federally financed entitlement program.
- o The Congress in having rejected the so-called Pepper bill which would have cost approximately \$30 billion and only provided home care -- is an indication of the desire to find a reasonable and responsible answer.
- o The solution lies with a mix of private and public sector financing, and with plans that let people choose the type of care they want.
- o Lets let people stay home if they want to -- or use institutional services if they prefer. Physicians, families and patients are in the best position to make those decisions.

AIDS

- o The next key issue that is consuming more and more of our time and resources is AIDS.
- o A year ago, I introduced legislation that established the Presidential AIDS Commission. After a rocky start, under the strong leadership of Admiral Watkins, the Commission has completed its work.

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- o The recommendations they have made will help give us a clear direction in what we must do to combat this terrifying condition.
- o The answers will not be simple nor easy to implement. Clearly there is much sensitivity over the issue because of the multitude of problems that have arisen -- some of which are caught up in a debate over morals.
- o However, I believe we have to get beyond our differences and find solutions that both provide relief to those who have the condition and protection to those who are uninfected. Not any easy balance to reach.
 - o Emphasis clearly must be placed on education and prevention efforts as well as on the care of the sick.
 - o We are looking to the health professionals to help us with this effort.

MATERNAL AND CHILD HEALTH

- o The last issue I might touch on is the need for action to improve the health status of women and children in this country.
- o It is a sad commentary that a nation such as ours which has so much to offer, continues to lag behind other industrialized nations in giving our children a chance to live healthy and productive lives.
- o In recent years, we have made progress in increasing access to prenatal and well child care services by the poor in this country -- but much remains to be done.
- o The Finance Committee has begun a series of hearings to help us identify how best to proceed. Frankly one of the more difficult issues will be the problem with the cost of malpractice insurance.
- o As you know the current crisis in the availability and cost of malpractice insurance has hit the OB/GYN specialty particularly hard. In some instances this has led to a reduction in access to services.
- o While not sure that there is a Federal solution to this problem -- it is certainly something we have to address.

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CONCLUSION

- o Spending on health care continues to increase at rates that far exceed the costs of other aspects of the economy.
- o This problem will continue to force us to look for better ways of doing things in a more cost effective manner. It will also force us to examine carefully our spending priorities.
- o This concern with cost, however, should not overshadow our desire to maintain what I believe to be the finest health care system in the world.
- o We are going to need the help of specialty organizations like your own to help us decide how best to balance our priorities. In the absence of your input -- others will certainly make these decisions for you.