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# Physician Leadership and the Urgency of the Moment in Medicine

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Immediate Past President  
American Medical Association



**Health care in America is  
unsustainable in its current state.**

# U.S. health care by far most expensive on Earth

On average, other wealthy countries spend about half as much per person on health than the U.S. spends

Total health expenditures per capita, U.S. dollars, PPP adjusted, 2016



The US value was obtained from the 2016 National Health Expenditure data

Source: Kaiser Family Foundation analysis of data from OECD (2017), "OECD Health Data: Health expenditure and financing: Health expenditure indicators", OECD Health Statistics (database) (Accessed on March 19, 2017). • Get the data • PNG

Peterson-Kaiser  
**Health System Tracker**

# Too many priced out of health care in U.S.

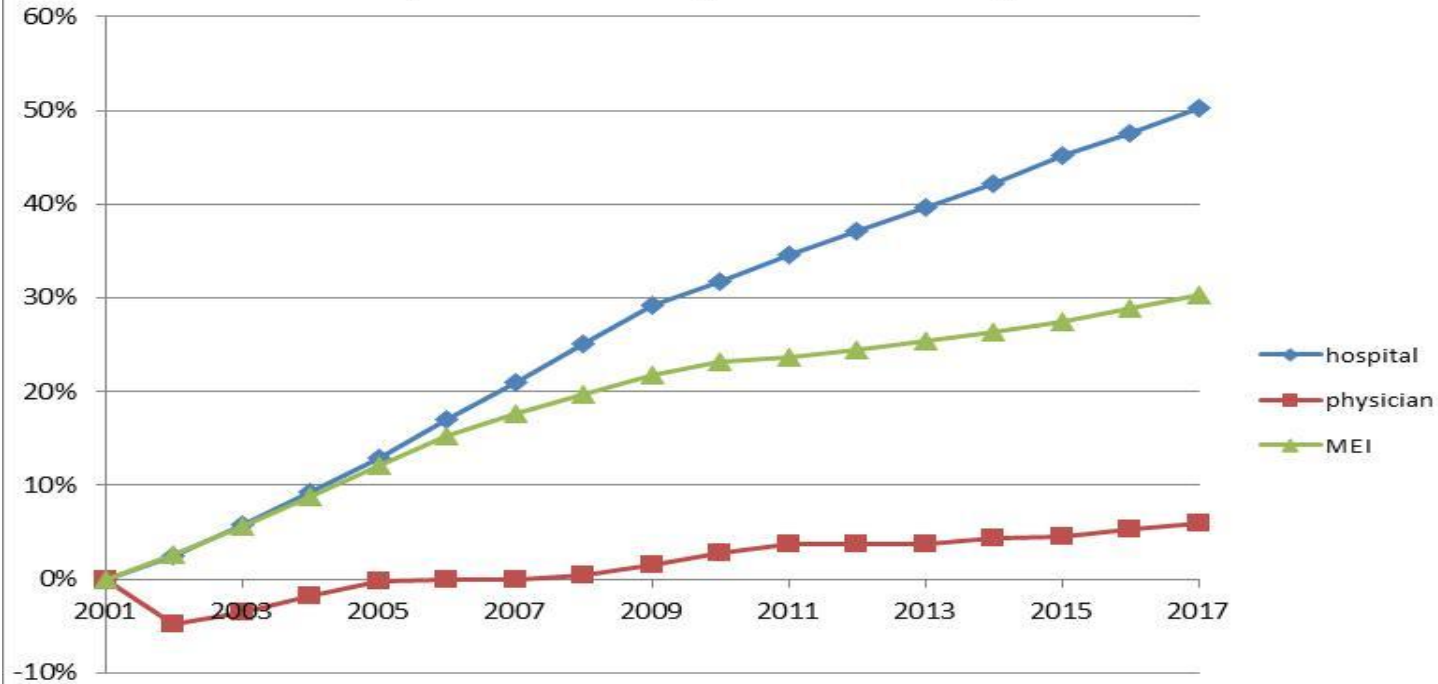
**4 in 10** adults with health insurance have difficulty affording their deductible

**1 in 3** has trouble affording his or her premiums

**3 in 10** report problems paying medical bills to the extent they cut back in other necessary areas (food, etc.)

**27%** have put off or postponed getting health care they needed

## Cumulative Medicare Updates Since 2001 - Physicians Compared to Hospitals



Source: Medicare Trustees' Reports

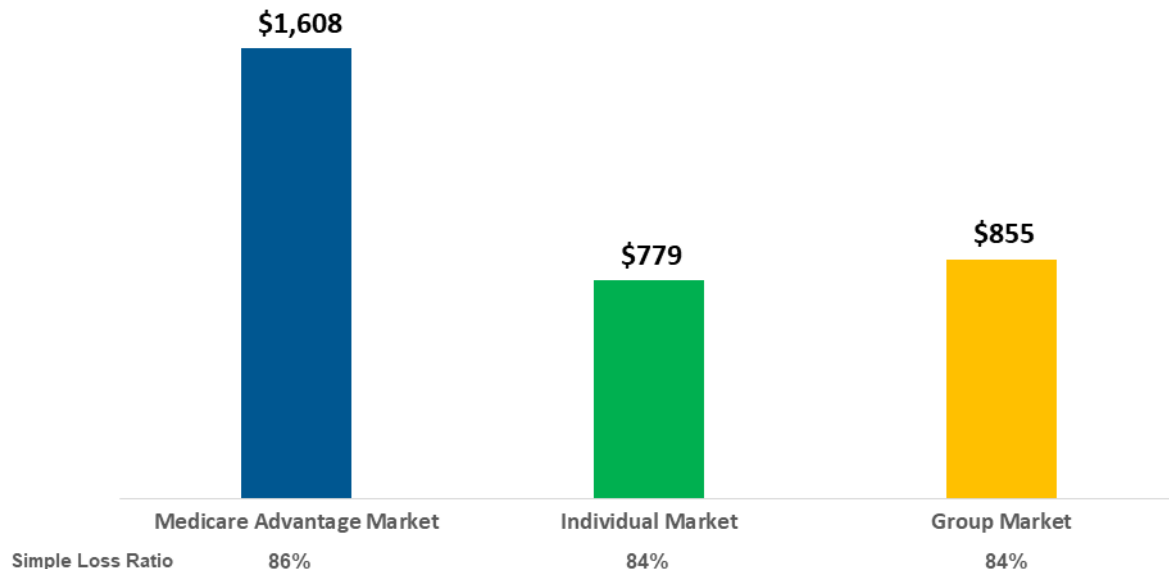
# The Site of Service Dilemma (Reports and studies)

- **Avalere, 2017:** Analysis finds that applying MIPS adjustments to Part B drug reimbursement will have very significant effect on income of some specialties
- **Avalere, 2016:** 340B hospitals often don't provide charity care
- **Milliman, 2016:** The shift of cancer care from physician office to hospitals is one factor driving up costs
- **Berkley Research Group, 2016:** Rapid growth in 340B expenditures due to hospital acquisition of physician practices
- **Avalere, 2015:** 340B hospitals are more heavily engaged in physician acquisition than other hospitals

E.S. Figure

Annual gross margins in the Medicare Advantage market were about double the margins in the individual and group markets

*Average Gross Margins per Covered Person per Year, 2016-2018*



Note: The group market only includes fully-insured plans. Figures are averaged across 2016, 2017, and 2018.  
Source: Kaiser Family Foundation analysis of data from Mark Farrah Associates Health Coverage Portal TM.



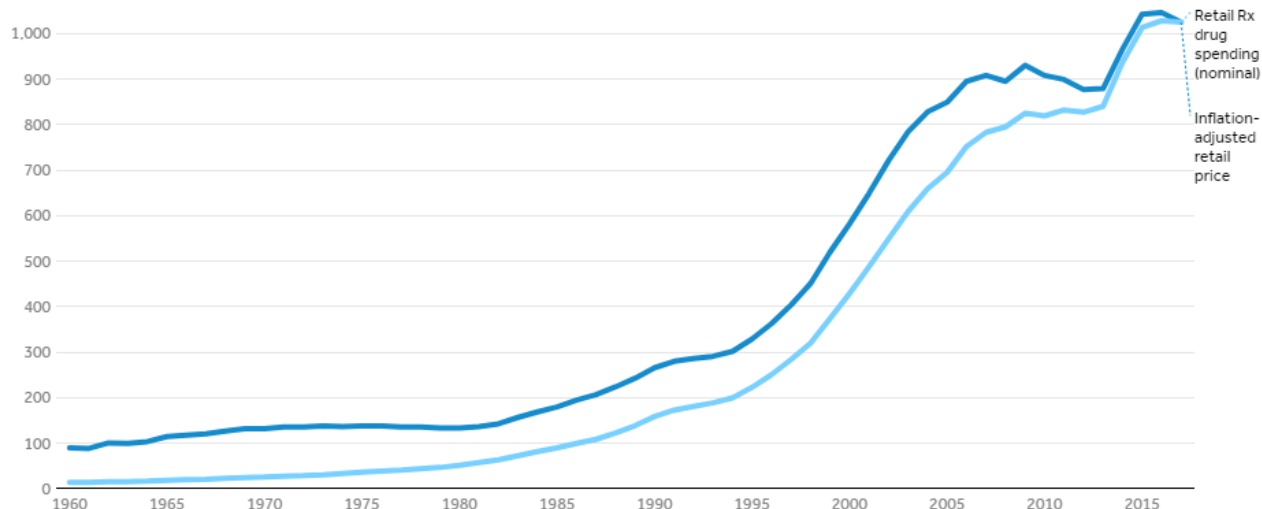
Source: Henry J. Kaiser  
Family Foundation;  
August 2019



# Soaring prescription drug costs

Spending on prescription drugs has risen rapidly over past decades

Nominal and inflation-adjusted per capita spending on retail prescription drugs, 1960-2017




Source: Kaiser Family Foundation Analysis of National Health Expenditures Account • [Get the data](#) • PNG

Peterson-Kaiser  
**Health System Tracker**



**Solving health care's top issues  
by putting patients and physicians first.**

A woman with long dark hair, wearing a white lab coat over a black top, is seated. A man with a shaved head, wearing blue scrubs, is standing behind her. Both have stethoscopes around their necks.

**Nakisa Sadeghi**  
Member since 2018

**Moudi Hubeishy**  
Member since 2015



**An historic milestone at the AMA**



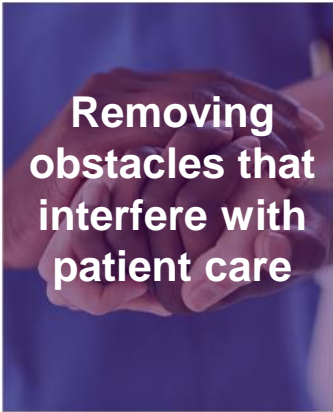


**2019-2020 AMA leadership**

# AMA: The physicians' powerful ally in patient care



**Representing physicians with a unified voice**



**Removing  
obstacles that  
interfere with  
patient care**



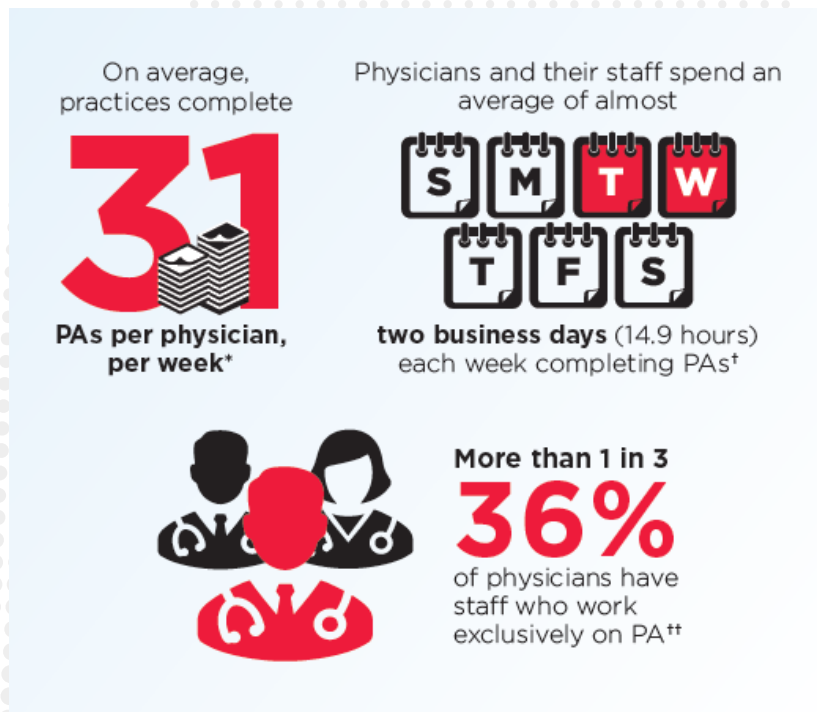
**Leading  
the charge  
to confront  
public health  
crises**



**Driving  
the future  
of medicine**

# Right-sizing prior authorization

- Working directly with national partners and the insurance industry to “right-size” prior authorization
- Pushing state legislation to address prior authorization and step therapy and advocating to national policymaking organizations for regulation of these programs and entities
- Creating new resources to help practices streamline prior authorization
  - Visit [FixPriorAuth.org](https://fixpriorauth.org)

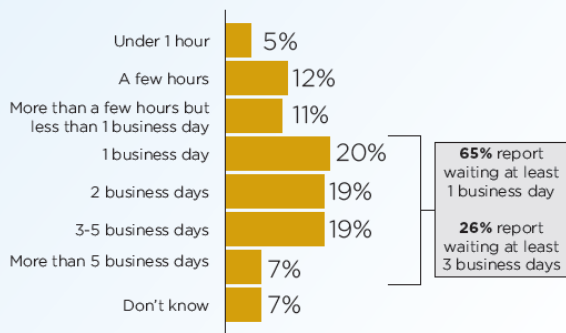


Source: 2018 AMA Prior Authorization Physician Survey

# Impact of prior authorization on clinical outcomes

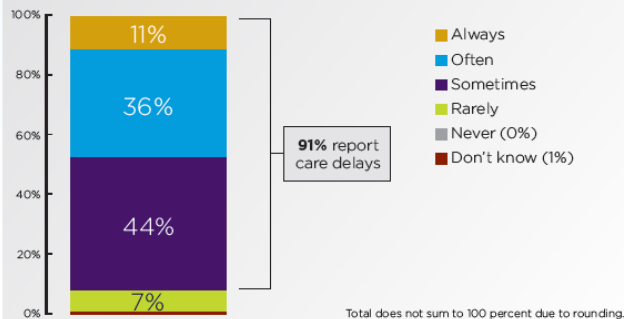
## Average wait time for PA responses

**Q:** In the last week, how long on average did you and your staff need to wait for a PA decision from health plans?



## Care delays associated with PA

**Q:** For those patients whose treatment requires PA, how often does this process delay access to necessary care?



In your experience, has the PA process ever affected care delivery and led to a serious adverse event (e.g., death, hospitalization, disability/permanent bodily damage, or other life-threatening event) for a patient in your care?

**28% reported PA led to a serious adverse event**

Source: 2018  
AMA Prior  
Authorization  
Physician Survey



# Prior Authorization Hurts Patients



“I have often thought, in retrospect, after my son passed away, if the scans had been done on time, maybe it would have been caught sooner. Possibly, it could have saved his life.”

- Linda Haller, Maryland



“About three years ago, my husband changed jobs and insurances...I was already on medicine and had to wait for my refill. But I couldn't get them without the prior authorization process...I missed doses...I felt like everything broke down.”

- Candace Myers, Georgia



“If I had to wait until the insurance company actually gave their approval, I may have been in a position where any oncologist would have said, ‘No, there's nothing we can do for you now.’”

- Kathryn Johannesson, Connecticut

Watch the video at [FixPriorAuth.org](https://FixPriorAuth.org)

# Consensus statement on improving prior authorization

- Released in **January 2018** by the AMA, American Hospital Association, America's Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association, and Medical Group Management Association
- Five “buckets” addressed:
  - Selective application of PA
  - PA program review and volume adjustment
  - Transparency and communication regarding PA
  - Continuity of patient care
  - Automation to improve transparency and efficiency
- GOAL:** Promote safe, timely, and affordable access to evidence-based care for patients; enhance efficiency; and reduce administrative burdens





# AMA grassroots website: FixPriorAuth.org

Prior authorization hurts patients and physicians. It's time to **#FixPriorAuth.**

Click below to discover how prior authorization affects you.



I am a patient



I am a physician

- Physician and patient tracks
  - Social media campaign drives site traffic and conversation
  - Call to action: Share your story
  - Most impactful stories collected in site gallery
- 
- Impressions: **+10 million**
  - New users: **+81,000**
  - Engagements: **+1,000,000**
  - Patient/physician stories: **+500**
  - Petitions signed: **+89,000**  
(since October 2018)

# Regulatory relief

- Working to eliminate, streamline, align and simplify federal rules and regulations imposed on physicians
- Improving the usability of EHRs, making practice data available to physicians and holding vendors accountable for their products
- Creating clear and concise educational resources for physicians to improve their understanding of issues relevant to their practice, such as cybersecurity



# Efforts to protect patient access to care

## Texas v. Azar:

### What's at stake:

- Pre-existing condition protections
- Coverage for children until age 26
- Insurers no longer held to 85% medical loss ratio
- 100% coverage for certain preventive services would cease
- Annual and life-time dollar limits could be reinstated, leading to more bankruptcies

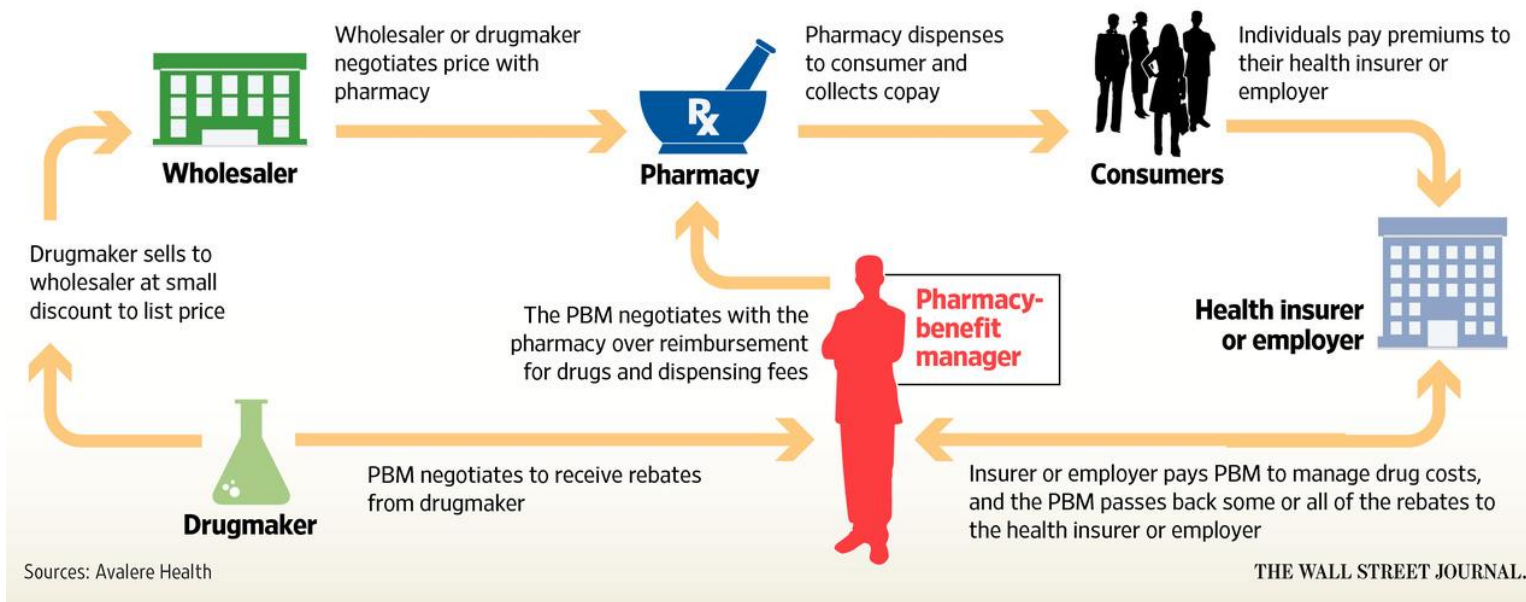
AMA filed an amicus brief in opposition to plaintiff arguments and is working to reverse the December 2018 district court decision.



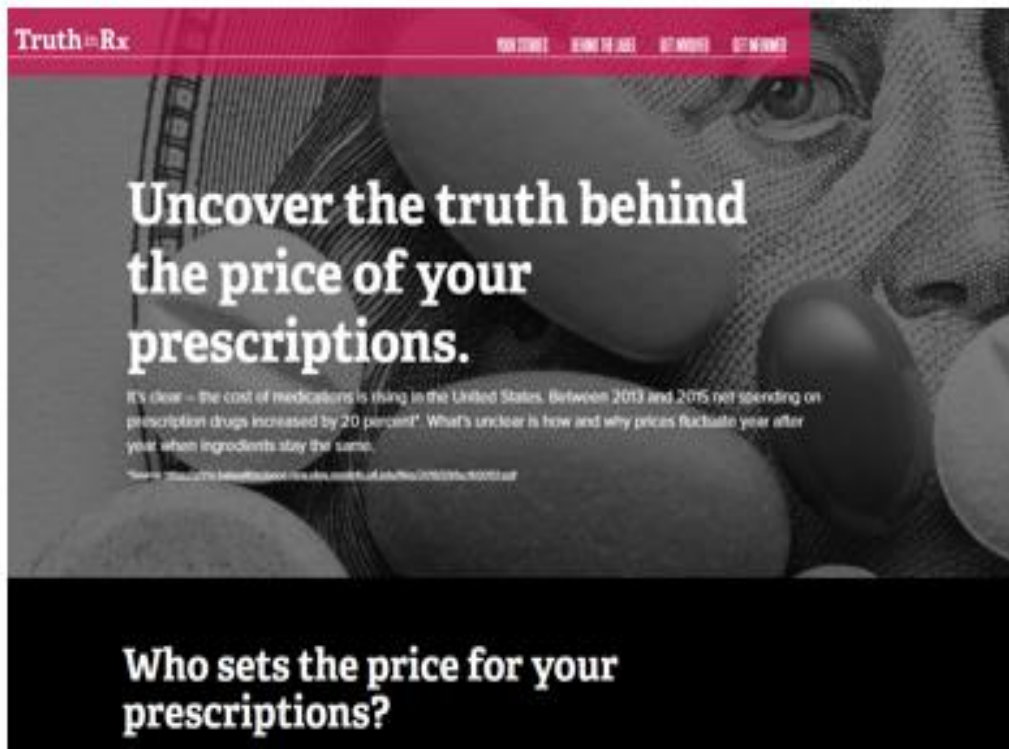
# The complicated web of drug pricing

## How Drug Distribution Works

A complex supply chain determines how prescription drugs are paid for in the U.S.



# Discovering the Truth in Rx

The graphic features a background image of a person's face partially obscured by several large, dark, pill-shaped objects. At the top, a red banner contains the text 'Truth in Rx' and four smaller links: 'HOW TO FIND', 'BEHIND THE SCENES', 'GET INVOLVED', and 'GET INFORMED'. The main headline reads 'Uncover the truth behind the price of your prescriptions.' Below this, a paragraph states: 'It's clear – the cost of medications is rising in the United States. Between 2013 and 2015 net spending on prescription drugs increased by 20 percent\*. What's unclear is how and why prices fluctuate year after year when ingredients stay the same.' A small footnote at the bottom left reads: '\*Source: IMS MIDAS, The Pharmaceutical Research and Manufacturers of America (PhRMA) 2016/2015 report'. At the bottom, a black banner contains the question 'Who sets the price for your prescriptions?'

**Truth in Rx**

HOW TO FIND | BEHIND THE SCENES | GET INVOLVED | GET INFORMED

## Uncover the truth behind the price of your prescriptions.

It's clear – the cost of medications is rising in the United States. Between 2013 and 2015 net spending on prescription drugs increased by 20 percent\*. What's unclear is how and why prices fluctuate year after year when ingredients stay the same.

\*Source: IMS MIDAS, The Pharmaceutical Research and Manufacturers of America (PhRMA) 2016/2015 report

## Who sets the price for your prescriptions?

### Key milestones:

- More than 1 million – messages sent to Congress demanding price transparency
- Nearly 350,000 – petition signatures calling for increased prescription drug price and cost transparency
- More than 160,000 – visits to website
- 870+ – AMA posts on Twitter and Facebook displayed 25.9+ million times with 645,000+ people interacting with the posts

# Drug pricing policy priorities

- **Increase pharmaceutical market competition and combat anticompetitive practices**
  - Prohibit pay-for-delay settlements
  - Limit anticompetitive efforts to reduce competition from generic manufacturers through manipulation of patent protections or abuse of Risk Evaluation and Mitigation Strategies (REMS)
  - Shorten the exclusivity period for biological products
- **Require pharmaceutical supply chain transparency**
  - Require pharmaceutical manufacturers to provide public notice before increasing the price of any drug by 10% or more and provide justification for the increase
  - Support improved transparency of PBM operations
  - Unless a change is made for safety reasons, prohibit negative mid-year formulary changes





# AMA model legislation to increase transparency

- 1) Provides patients with relevant, accurate information about the manufacturing, production, advertising and other associated costs relating to their prescription medications
- 2) Protects patients from surprise decisions of health insurers and PBMs to shift costs on consumers
- 3) Ensures that co-pays, co-insurance, or utilization management requirements will not change during the plan year after a patient purchases a health plan

# States are addressing the practices of PBMs

State efforts to address costs associated with PBMs:

- Nearly 25 states restrict gag clauses in pharmacists-PBM contracts
- Bills aim to regulate PBMs under the department of insurance (e.g. Arkansas)
- National policy-making organizations (NAIC and NCOIL) are focusing on PBM activity



# Leading the charge to confront public health crises



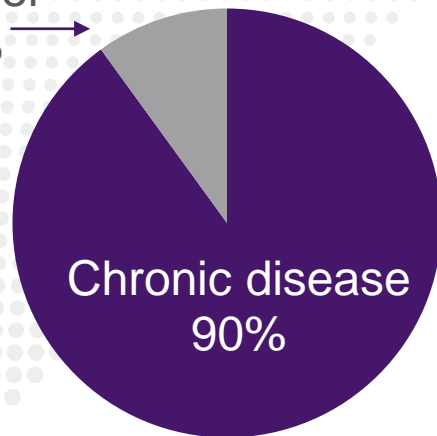
**Anna Yap, MD**  
Member since 2014

# The human and financial toll of chronic disease in the U.S.

- Half of American adults have one or more chronic conditions
- Heart disease, stroke and diabetes are among the top 10 leading causes of death and disability in the U.S.
- Chronic diseases may negatively affect health, quality of life, and productivity

**\$3 trillion annual U.S. health care spending**

All other  
10%

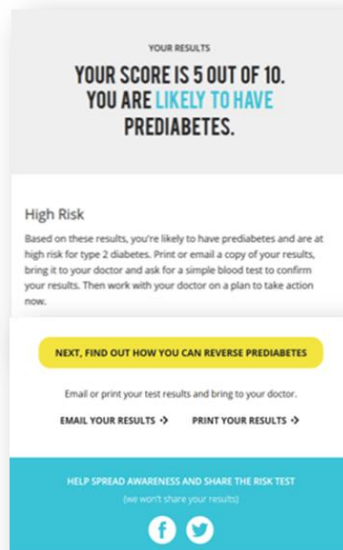


Source: CDC

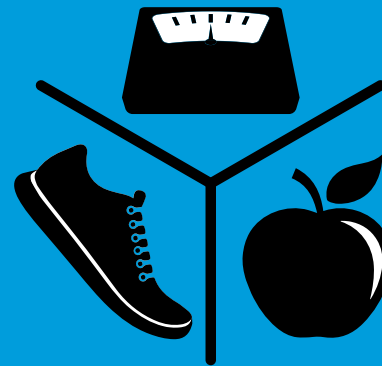
# Partnerships to prevent diabetes

**2.3 million** visits and **730k** risk screenings for prediabetes and counting ... Take the test:

[DoIHavePrediabetes.org](https://doi.org/10.1371/journal.pone.0181111)



PATIENT CARE



An **AMA membership** means you're helping to prevent new cases of type 2 diabetes.

# Partnerships to prevent heart disease

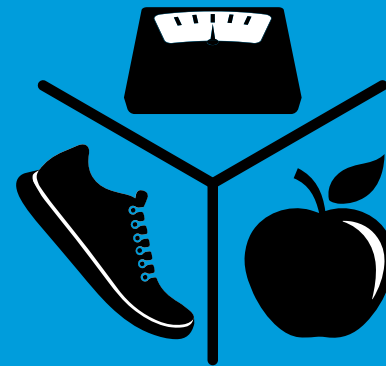
More than **1,600** physician practices and health systems have so far joined the effort



TARGET:BP™

Learn more at [TargetBP.org](https://TargetBP.org)

PATIENT CARE



An **AMA membership** means you're helping to prevent new cases of type 2 diabetes.

**Overdoses fueled by opioid epidemic now the *leading cause of death* for people under age 50**

**End-Opioid-Epidemic.org**

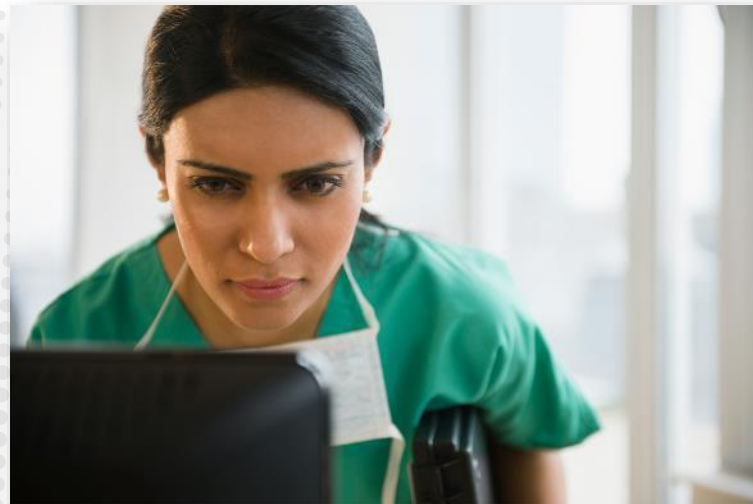
# Ending the opioid epidemic

- Advocating to policymakers and payers to end prior authorization for medication-assisted treatment
- Working with payers to remove barriers to multidisciplinary pain care
- Providing physicians with specialty-specific educational resources on safe opioid prescribing and treatment
- Advocating for expanding access and coverage for treatment of substance use disorder
- Working to reduce the stigma associated with pain and substance use disorders



# Progress of the AMA Opioid Task Force

- Opioid prescribing has decreased by 33 percent since 2013.
- PDMP registration and use continues to increase; more than 450 million queries were made in 2018.
- Treatment capacity is increasing. More than 66k physicians are certified to provide buprenorphine to treat opioid use disorder.
- Physicians are enhancing their education – more than 700k physicians and others took CME in pain management and substance use disorders in 2018.
- Naloxone prescriptions increased to nearly 600k in 2018.



(Source: AMA Opioid Task Force 2018 Progress Report)

# New recommendations from the Opioid Task Force

- Remove prior authorization, step therapy and other administrative burdens for MAT
- Enforce state and federal mental health and substance use disorder parity laws
- Remove barriers to pain care
- Increase access to treatment for pregnant women and mothers
- Support access to treatment within the civil and criminal justice systems





# Pennsylvania, Arkansas, New Jersey and Washington DC eliminate prior authorization for MAT; More to come

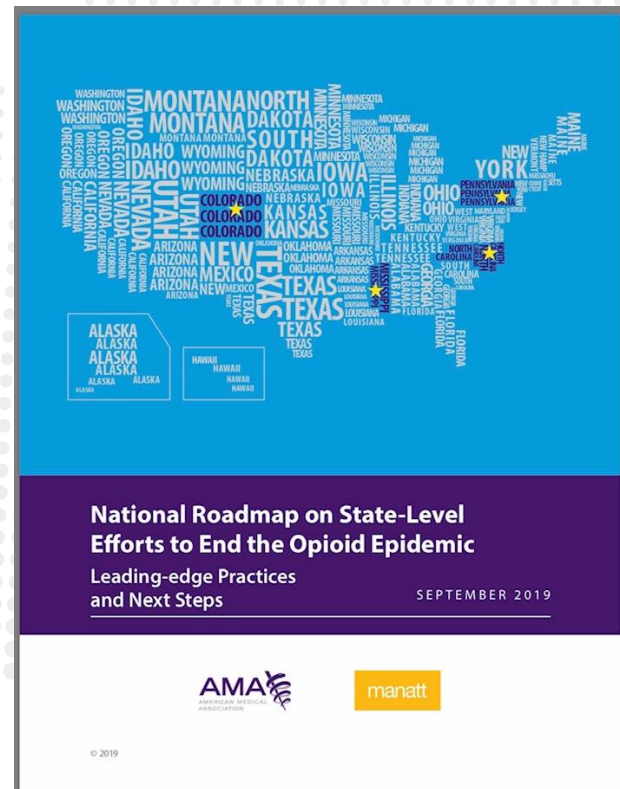
- April 2019 – New Jersey, Arkansas and District of Columbia agree to remove prior auth from MAT for substance use disorder.
- October 2018 - Landmark agreement in Pennsylvania ends prior auth for MAT under state-regulated plans.
- Access to MAT will also be available in Pennsylvania on the lowest cost sharing tier.
- **AMA calls on other states to follow in their footsteps.**

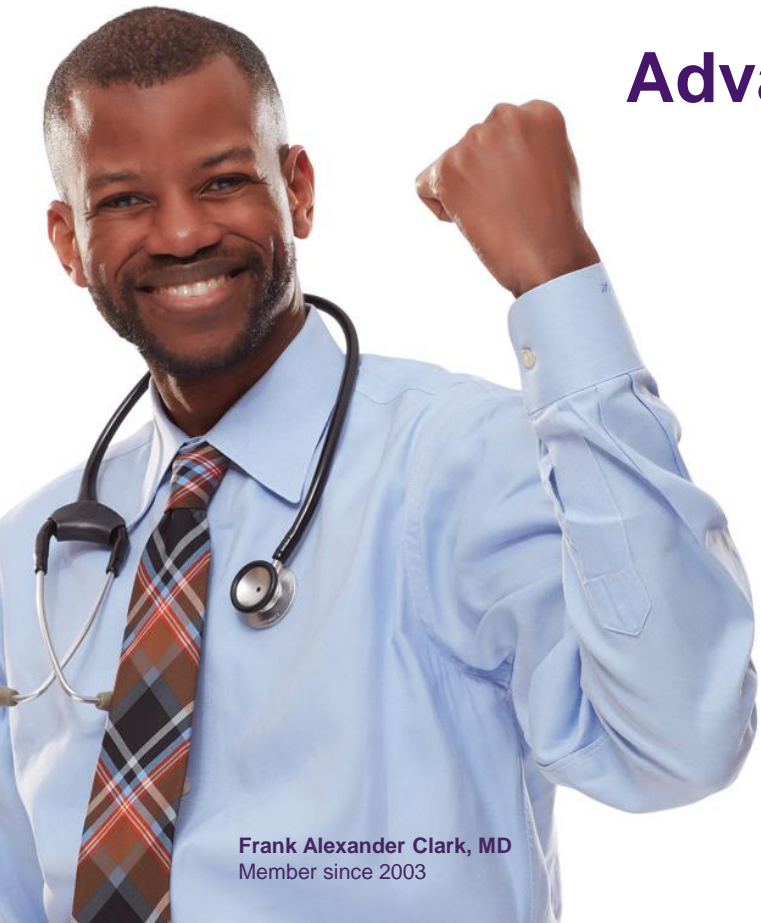


# National Opioid Policy Roadmap highlights efforts in four states making a difference

Keys to success:

- Vigorous state oversight and enforcement
- Medicaid expansion
- Long-term funding from sustainable sources
- Evaluating policies to determine what works and what needs revision





Frank Alexander Clark, MD  
Member since 2003

# Advancing the health care profession

We cannot change the system  
without your support and the work  
of organized medicine... and that  
starts with you.

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