

1 **Adopted as amended**

2 **RESOLUTION 16-COW**

3
4 **(Referred to Reference Committee of the Whole)**

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6 **Subject: Practice Options Initiative Concept and Funding**
7 **Introduced by: PAMED Board of Trustees**
8 **Author: PAMED Board of Trustees**
9

10 Whereas, Most experts have concluded that the traditional fee-for-service payment mechanisms created
11 incentives to over treat, over prescribe, and over spend. The result was an economically unsustainable
12 health care delivery and financing system that did not provide a commensurate level quality of care; and
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14 Whereas, The Affordable Care Act was enacted in 2010 and its provisions included value-based care
15 initiatives; and
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17 Whereas, Many payers, public and private have enacted or are testing value-based payment
18 mechanisms such as shared savings, bundled payments, episodes of care, and patient centered medical
19 homes; and
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21 Whereas, Congress doubled down on value-based reimbursement by enacting the Medicare Access and
22 CHIP Reauthorization Act (MACRA) in 2015, parts of which are effective in 2017; and
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24 Whereas, In January 2015, the Department of Health and Human services announced new goals for
25 value-based payments and Advanced Practice Models in Medicare to include that 30 percent of all
26 Medicare payments be tied to quality or value through alternative payment models by the end of 2016
27 and 50 percent by the end of 2018 and that 85 percent of Medicare fee-for-service payments are tied to
28 quality or value by the end of 2016 and 90 percent by the end of 2018; and
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30 Whereas, The Centers for Medicare and Medicaid Services (CMS) promulgated a proposed rule in 2016
31 to implement MACRA. In that rule, CMS stated that under the MACRA Quality Payment Program, 87
32 percent of solo practitioners and nearly 70 percent of those practices of 2-9 physicians will receive a
33 negative payment adjustment in 2019; and
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35 Whereas, MACRA will impose decreased per patient fees for half the practicing physicians; and
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37 Whereas, To avoid decreased physician payment physicians will need to begin data aggregation by the
38 end of 2017; and
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40 Whereas, A recent survey by Deloitte & Touche found that half of non-pediatric physicians have never
41 heard of MACRA. Just 21% of self-employed or small group physicians and 9% of physicians employed by
42 hospitals or larger groups were only somewhat familiar with the pending reimbursement changes. The
43 survey also found that 58% of respondents said they would join a larger organization to diminish their
44 financial risks and 80% expected MACRA to prompt physicians to join larger organizations or networks;
45 and
46

1 Whereas, In 2010 the Pennsylvania Medical Society House of Delegates approved a strategic blueprint
2 “Get In The GAME: Why Physicians Must Engage in This Era of Change” that included a Statement of
3 Principles. These principles included; “For decisions that are imbued with clinical care significance, it is
4 imperative that physicians have substantial and direct participation with real power to influence the
5 outcome. In many cases this requires that we lead the initiative”; and

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7 Whereas, The PAMED Board of Trustees in that Blueprint document recommended “The Pennsylvania
8 Medical Society must position physicians to lead and shape health care delivery to assure that the
9 evolving system provides quality and value;” and

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11 Whereas, It is stated that the general purpose of the Endowment Fund of the Pennsylvania Medical
12 Society is “created and shall be operated exclusively for the benefit of PAMED in carrying out its
13 mission...;” and

14
15 Whereas, The mission of PAMED is stated as: Pennsylvania Medical Society is the voice of
16 Pennsylvania's physicians and the patients they serve. We advance quality patient care and the ethical
17 practice of medicine. We promote physician leadership, education, professional satisfaction, practice
18 sustainability, and the public's health; and

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20 Whereas, The PAMED Board of Trustees voted at their August 16, 2016 meeting by the required simple
21 majority to support the concept of the PAMED Practice Options Initiative; and

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23 Whereas, The PAMED Board of Trustees voted at their October 21, 2016 meeting by the required super
24 majority vote of 75 percent to recommend to the House of Delegates their approval to withdraw up to
25 \$15 million from the \$115 million principle to be used to develop the PAMED Practice Options Initiative;
26 and therefore be it

27
28 **RESOLVED, That the PAMED Board of Trustees is committed to transparency and responsible fiscal**
29 **stewardship of endowment funds; and be it further**

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31 **RESOLVED, That future business plans shall include a list of deliverables, dates for updates to the**
32 **membership, and performance metrics, for use in evaluation; and be it further**

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34 **RESOLVED, That the PAMED Board of Trustees is committed to transparency and regular**
35 **communication to the PAMED membership including the House of Delegates, providing updates on**
36 **PAMED Practice Options Initiative including, but not limited to, when the business plan is approved, a**
37 **quarterly report; and be it further**

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39 **RESOLVED, That with the assistance of legal counsel the PAMED Practice Options Initiative explores**
40 **collaboration among physician-led networks, including specialty networks, and enables engagement**
41 **by physicians of all practice types; and be it further** ~~Resolved, that the PAMED House of Delegates~~
42 ~~support the concept and development of the PAMED Practice Options Initiative; and be it further~~

43
44 ~~Resolved~~ **RESOLVED, That the PAMED House of Delegates authorizes the PAMED Board of Trustees to**
45 **access up to \$15 million from the PAMED Endowment Fund principle of \$115 million to be used to**
46 **actualize the PAMED Practice Options Initiative.**

47
48 Fiscal Note: \$15 million

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