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American Association of Oral and Maxillofacial Surgeons

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The Honorable Max Baucus
Chairman, Finance Committee
US Senate
511 Hart Senate Office Building
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member, Finance Committee
US Senate
104 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

The American Association of Oral and Maxillofacial Surgeons (AAOMS), the professional association that represents more than 9,000 oral and maxillofacial surgeons in the United States, commends the Senate Finance Committee's commitment to repealing the Medicare sustainable growth rate (SGR) formula and identifying new Medicare payment arrangements. We offer comments on the second of three specific questions posed by the committee as well as provide some overall thoughts on payment reform.

We submit the following in response to the committee's second question: **What specific policies should be implemented that could co-exist with the current FFS physician payment system and would identify and reduce unnecessary utilization to improve health and reduce Medicare spending growth?**

The AAOMS has discovered a particular inefficiency in the Medicare system that could be easily corrected and would result in significant savings in the Medicare program. This inefficiency deals directly with the exclusion of outpatient hospital services connected to dental services. Current Medicare policy permits payment for inpatient hospital services for dental procedures when the Medicare beneficiary requires hospitalization due to an underlying medical condition or the severity of the dental procedure. In some cases, dental conditions of medically compromised patients could be safely and expertly managed with appropriate monitoring during treatment in the hospital outpatient department. However, due to Medicare's policy exclusion, some hospitals refuse to accommodate these patients in the outpatient dental departments because outpatient hospital services connected to dental services are excluded from Medicare coverage. The result is that the doctor is forced to care for these patients in the inpatient hospital setting. This policy not only shifts services that could be safely performed in the outpatient setting to the more costly inpatient setting, but also places additional financial burden and inconvenience on the patient. Of course, there will always be situations where inpatient status is justified; therefore, the AAOMS asks that Congress urge CMS to amend its policy to allow for reimbursement of both inpatient and outpatient hospital services in connection with severe or risky dental procedures.

With regard to other payment reform efforts, the AAOMS fully supports repealing the SGR formula and any future rate cuts and encourages development of a more predictable and defined Medicare payment system that will ease the financial burdens that proposed SGR cuts would place on providers. Repealing the SGR is imperative to secure Medicare beneficiaries' access to care, as the continuous threats of reimbursement reductions under the current system drive physicians to terminate their participation in or opt out of the Medicare program.

While the AAOMS supports rewarding physicians who deliver high-quality and efficient care, the rewards should be sufficient to entice providers to continue treating Medicare beneficiaries. The AAOMS also supports the availability of multiple reimbursement options from among which physicians can choose those that best fit their practice; however, we respectfully suggest adequate time be considered for a transition period to this new payment system. Currently the number of quality and efficiency measures applicable to many specialties is limited. The process to determine and create clinically meaningful quality and efficiency measures is lengthy, not to mention labor-intensive. In addition to limited quality measures, the claim thresholds that must be met for successful reporting cannot be achieved by some specialties, making reporting and participating in such a reformed payment system difficult. For instance, while oral and maxillofacial surgeons often treat Medicare beneficiaries, most of the procedures they perform are not covered by Medicare; therefore, the goal of reporting three quality measures for at least 50% of the Part B patients treated is unattainable. Furthermore, alternative payment models such as the bundled payment initiative and accountable care organizations' shared savings models have not fully evolved and, thus, their impact on surgical specialties is uncertain. These factors will limit physicians' choices of which Medicare payment system suits them best and, if they are unable to meet program requirements, may prompt even more physicians to turn away Medicare beneficiaries.

Before a viable alternative to the SGR formula is actualized and a performance-based payment system is announced, the AAOMS recommends data be analyzed and shared with stakeholders from the bundled payment initiative and accountable care organizations' shared savings program so that the impact on specialties and providers can be examined. There must be improved assistance and guidance made available to specialties to assist with developing specialty-specific quality measures and participating in clinical improvement registries. Such efforts will ensure both the continuation of quality care for patients relying on the Medicare program and the security of participating providers.

The AAOMS appreciates your consideration of our comments. Your work on this issue is an important step in developing a Medicare payment system that encourages both provider participation and results in the best patient care. Should you have questions, please contact Karin Wittich, CAE, Associate Executive Director, Practice Management and Governmental Affairs, at 847/233-4334 or via e-mail at karinw@aaoms.org .

Sincerely,

Miro A. Pavelka, DDS, MSD
President