

## **American Medical Association (AMA)**

*Consumer-driven health care leads to greater coverage and improved access*

**Organization Description:** The AMA is the nation's largest association representing physicians and medical students. About 28% of the nation's 884,973 physicians are members. It advocates for professional and public health issues on behalf of physicians. AMA policy positions are voted on in a democratic process by elected delegates of the association.

**Proposal Summary:** The AMA's advocacy efforts seek to expand health care coverage incrementally using market-based solutions. The AMA supports quality improvement efforts through evidence-based protocols and confidential error reporting. The AMA also advocates for reform of Medicare payment, managed care and medical liability. In addition to their own proposal, AMA has joined the Physician Coalition<sup>1</sup> and the Health Coverage Coalition for the Uninsured (HCCU)<sup>2</sup> to promote principles to reform the U.S. health care system.

- **Coverage:** The AMA advocates for incremental measures that expand coverage and improve access to care for children and low-income Americans. The AMA's long-term vision for health reform includes the adoption of a consumer-driven, market-based plan to expand coverage through tax credits and insurance market reforms. In 2006, the AMA released a detailed plan to expand health insurance coverage. The three components of this plan are: portable, individual insurance products; income-related tax credits; and health insurance market reforms.
  - Portable, individual insurance products: The AMA proposes that health coverage should be individually-based, rather than employer-based. The proposal would move towards a system of individual insurance products that would be transferable between jobs. The individual market would also create more coverage options for most workers.
  - Income-related tax credits to increase the affordability of coverage, the AMA's proposal would provide tax credits for purchasing health insurance. The credits would be refundable and inversely related to income. They would vary with family size and be available in advance for low-income individuals.
  - Health insurance market reforms: The AMA would eliminate some state variation in health insurance regulations to make them more uniform nationally. The AMA recommends replacing strict community rating with modified community rating, risk bands or risk corridors. Insured individuals would be guaranteed renewability of coverage regardless of changes in health status. The AMA proposes limiting benefit mandates and removing regulatory barriers to group purchasing arrangements.

The Physician Coalition supports affordable health care coverage for all U.S. residents, including catastrophic coverage. HCCU's proposal initially aims to remove barriers for children to enroll in established public programs. The plan would also give tax credits to

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<sup>1</sup>The Physician Coalition represents ten of the nation's leading physician associations, which form a united voice for doctors in the national policy debate.

<sup>2</sup>The HCCU is comprised of sixteen national organizations that play leading roles in every aspect of federal health policy, including health plans, provider groups, advocacy organizations, a business alliance, and a pharmaceutical manufacturer.

families to help offset the cost of purchasing health insurance for all children. The second phase of the initiative concentrates on expanding Medicaid eligibility to cover all adults with incomes below the federal poverty level. For those with higher incomes, HCCU recommends establishing a refundable tax credit to help cover the cost of private insurance.

- *Wellness and Prevention:* The AMA seeks to improve the health of the public by advocating for national policies directed toward the prevention and treatment of obesity, alcohol abuse, tobacco use and other public health issues.
- *Health Information Technology (IT):* The AMA supports expanding health IT in physicians' offices. AMA encourages Congress to dedicate funding to help physicians invest in health IT through low-interest loans or increased reimbursement for the use of health IT. The Physician Coalition seeks sufficient funding to build a comprehensive infrastructure and implementation scheme for health IT.
- *Quality:* Develop a new and fair Medicare physician payment formula to preserve patients' access to quality care. Establish evidence-based clinical performance measures that enhance the quality of care and foster accountability. Create voluntary and confidential error reporting systems in order to improve and set new standards of care. Reduce racial and ethnic health care disparities. The Physician Coalition's reform principles emphasize the need for better health care quality and research to deliver care in a safe and cost-effective manner.
- *Cost:* Reduce the rising rate of health care costs by lowering medical liability premiums. Pass reforms similar to California's Medical Injury Compensation Reform Act (MICRA) that include a \$250,000 cap on non-economic damages in medical liability cases. The Physician Coalition's proposal emphasizes that the responsibility of funding universal health care is a cooperative effort between the private and public arenas. It also seeks to limit expenditures through better health care management and administrative simplification. HCCU would fund its proposal through the expansion of public programs and refundable tax credits for individuals.
- *Other:* Support managed care reform, including opposing third-party interference in the physician-patient relationship, eliminating unfair payment policies, and promoting anti-trust reform. Develop training programs to help physicians and their communities prepare for disasters.

**Proposal Date:** 2006, 2007

*Source: Expanding Health Insurance: The AMA Proposal for Reform, <http://www.ama-assn.org/ama1/pub/upload/mm/363/ehi1012.pdf>; AMA Health Care Advocacy Agenda, <http://www.ama-assn.org/ama1/pub/upload/mm/-1/2006advocacyagenda.pdf>; AMA Advocacy Efforts, <http://www.ama-assn.org/ama/pub/category/8659.html>; Press Release - AMA Supports Health IT Adoption in Doctor's Offices, <http://www.ama-assn.org/ama/pub/category/17476.html>; Physician Coalition: Principles for Reform of the US Health Care System, 2007, <http://www.aafp.org/online/en/home/membership/initiatives/hrsprinciples.html>; HCCU: Press Release, 2007, [http://www.coalitionfortheuninsured.org/news/pressrelease\\_20070118.html](http://www.coalitionfortheuninsured.org/news/pressrelease_20070118.html).*