

California Orthopaedic Association

Perspective on Health Reform Provisions

The California Orthopaedic Association is a statewide organization representing over 80% of orthopaedic surgeons throughout California. We have reviewed various health care reform proposals being discussed in California and nationwide and have developed the following positions on key reform provisions.

Statement of Principles

We recognize that many problems exist in our current health care delivery system and support reforms that result in services being rendered in the most cost-effective setting and provide quality care with timely access to specialty care. Transparency and accountability are needed to minimize redundancy and excess.

We emphasize that no matter how sophisticated or complex healthcare delivery may appear to be, medicine was founded on disease prevention and health promotion, and is still applied one patient at a time. Needless to say, one size or approach will not fit all.

We also strongly believe that the physician-patient relationship must be preserved with health care decisions made by patients and their physician – not the government or insurance carriers.

COA Health Reform Principles

Individual Mandate

We agree that access to essential health care should be available to everyone.

1. We support an individual mandate for all Californians to take responsibility for their health care by being required to obtain health care insurance, either individually or through an employer-sponsored plan.
2. We support the establishment of programs that will assist individuals, at or below 100% - 250% of the federal poverty level, to purchase health insurance.
3. We support requiring individuals to provide proof of continued health insurance much like what is done with auto insurance.

Benefit Program

The health care system in California must provide appropriate health care to all people within California without unreasonable financial barriers to care. Access to and financing for appropriate health services must be a shared public/private cooperative effort and a system which will allow individuals/employers to purchase additional services or insurance as needed.

1. We support the establishment of a minimum benefit program that is well- defined to ensure that individuals have uniform basic coverage that includes: preventive care which would include immunizations, diagnostic screening tests, and other disease prevention services.
2. This basic coverage must include catastrophic coverage to protect families from financial ruin.
3. We support cafeteria-type health plans allowing individuals to select additional optional health care coverage at an affordable rate as needed.
4. The coverage must be portable as individuals move between employers without penalty for pre-existing conditions.
5. Individuals must be able to move between insurance products without changing carriers if the alternative product is offered by their carrier.
6. We support a pluralistic-type system that is market driven and provides multiple options for individuals – fee-for-service, PPO, HMO plans, etc.

7. We support allowing individuals to participate in health savings accounts even though they may have other health insurance. This will allow individuals to purchase additional health care services through a consumer-driven health care product to enhance their health coverage.
8. We support the preservation of a safety net.

Coverage

1. We believe that any health care reform proposal should cover all Californians.

Education of Beneficiaries

1. We support the education of beneficiaries as to the coverage benefits and exclusions under their existing health care plan.
2. We support the education of beneficiaries as to the appropriate use of emergency rooms and the benefits of using alternative settings for their health care needs.

Financing

1. We are strongly opposed to a provider or hospital tax. Physicians, with the current low reimbursement levels, are already subsidizing the health care system. It is unreasonable to ask these physicians to also pay an additional tax on their revenues.
2. We support broad-based funding such as a graduated state income tax applied across-the-board to all individuals and employers or a sales tax increase to fund health care reform. We would not support a more limited and unstable funding source from a smaller base such as only health care providers or hospitals. A societal problem should be addressed and paid for by all.
3. We support allowing employees to purchase health insurance with pre-tax dollars and allowing employers to take a tax deduction for health insurance premiums.
4. We support in principle an employer tax on excess health benefit packages. What constitutes an excess health benefit package would need to be defined.

Insurance Reform

Less complicated administrative systems are essential to reduce costs, create a more efficient health care system, and maximize funding for health care services.

1. We support a cap of 15% or less on carrier administrative costs and profits.
2. We support guarantee issue of coverage regardless of pre-existing conditions and rate banding to prevent “cherry picking” of only healthy patients by some carriers and adverse selection for others.
3. We support leveling the playing field by removing anti-trust restrictions on physicians. Physicians should have available to them the same anti-trust protections afforded to carriers.

On-Call Emergency Care

1. We oppose shifting the responsibility for providing on-call services in the emergency room from the hospital to physicians through a mandate on physicians to provide emergency room services as a condition of state licensure.

Never Events

1. We strongly oppose withholding physician reimbursement for “never events” that are expected and many times unavoidable complications following surgery due to other medical conditions of the patient.

Cost Containment

Improvement of health care quality and safety must be the goal of all health interventions, so that we can assure optimal outcomes for the resources expended.

1. We support incentives for healthy lifestyle choices – reduce obesity, stop smoking, and control of chronic medical conditions.
2. We support moving towards an electronic medical record system as long as funding is available to physicians in the form of tax breaks, grants, or low-cost loans to help offset the costs of implementing these new systems.
3. We support collaborative disease management and the concept of improved coordination of medical services.
4. We support in principle the use of evidence-based medicine guidelines if they represent a consensus of the evidence-based research and are applied appropriately for the individual's medical condition. "Accountable Care Organizations" must not replace a physician's medical judgment for the most appropriate care for their patients.
5. We support "pay-for-performance" if set-up in a non-punitive way to measure true quality care, to allow physicians to make the best health care decisions for an individual patient's needs, and does not restrict quality care in the name of cost containment.
6. We support reducing regulatory burdens on health care providers and patients and eliminating unfunded mandates.
7. We support disease management that facilitates a collaboration of health care professionals to deliver the highest quality and cost-effective health care for their patients. Both primary care physicians and specialists are involved in coordinating health services and should be allowed to participate in "Medical Home" programs. This coordinated medical home care should not be an impediment to patients accessing specialty care.

Reimbursement Levels

1. Physician reimbursement rates must be actuarially sound and reflect the cost of actually providing the medical service. This would include public health care programs, which should be fully funded rather than dependent on provider subsidization through below cost payments.

Scope of Practice

1. We oppose non-physician health care providers practicing beyond their scope of training and licensure. This unnecessarily puts patients at-risk and potentially set-ups a two-tier health care system.

Approved by COA's Board of Directors, February 15, 2007
Version 2