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Before the United States House of Representatives
Committee on Ways and Means
Subcommittee on Health
Hearing on the Independent Payment Advisory Board (H.R. 452)
Under the Patient Protection and Affordable Care Act

March 6, 2012



Written Statement

Subcommittee Chairman Herger, Ranking Member Stark and Members of the Committee on Ways and Means Subcommittee on Health:

Thank you for the opportunity to submit a written statement in support of H.R. 452 – the “Medicare Decisions Accountability Act”. I present the following testimony on behalf of the American Academy of Physical Medicine and Rehabilitation (AAPM&R), the national professional organization representing more than 8,000 physiatrists, physicians specializing in physical medicine and rehabilitation. Our members treat adults and children with acute and chronic pain, persons who have experienced catastrophic events resulting in paraplegia, quadriplegia, or traumatic brain injury, rheumatologic conditions, musculoskeletal injuries, and individuals with neurologic disorders or any other disease process that results in impairment and/or disability. Medicare patients constitute a very large segment of the patients served by this specialty and services are furnished in rehabilitation hospitals, skilled nursing facilities, outpatient facilities, and in physicians’ offices.

The Academy is committed to working enthusiastically with members of Congress, the Administration, and other stakeholders on fine-tuning proposals to strengthen the Medicare program that result in patient-centered, high-quality health systems’ reforms that serve the needs of all, especially those with disability, chronic conditions, or functional impairment. Any modifications to the program on which people with disabilities depend for their health care must not result in reduced access to needed services either directly, through eligibility restrictions or benefit cuts, or indirectly, through inadequate and unrealistic provider reimbursement rates.

As you know, the Patient Protection and Affordable Care Act (PPACA [P.L. 111-148]) created the Independent Payment Advisory Board (IPAB), a 15-member panel appointed by the president and confirmed by the Senate. Beginning in 2015,

the board is charged with making recommendations to Congress that would reduce spending in Medicare through implementation of a spending target system and an expedited legislative approval process. The IPAB was granted unprecedented authority and has the power to change laws previously enacted by Congress. In addition, under the law, administrative or judicial review of the Secretary's implementation of a recommendation contained in an IPAB proposal is specifically prohibited.

We are deeply concerned about the potential impact the IPAB, as structured, will have on patient access to quality healthcare – especially for those people with disabilities and chronic conditions. AAPM&R believes that the IPAB is a flawed approach to spending controls and, as structured would be harmful to patient care. It is the Academy's position that based on the proposed IPAB methodologies, the majority of any recommended spending reductions would come in the form of payment cuts to Medicare providers that could affect patient access to care, innovative therapies and specialty care. IPAB would intensify the existing problems caused by the current Medicare physician payment formula (sustainable growth rate), which is plaguing Medicare as well as the TRICARE military health care program with frequently scheduled cuts.

Lastly, we believe that the IPAB sets a bad precedent for superseding the normal legislative process. Congress is a representative entity that has authority to legislate on issues of public policy. Redirecting this responsibility to an unelected and unaccountable board eliminates our elected officials from the decision-making process regarding a program that millions of our nation's seniors and people with disabilities rely upon.

Thank you again and the Academy reiterates its commitment to work collaboratively with members of Congress, the Administration, and other stakeholders to ensure that people with acute and chronic disabling conditions benefit from appropriate healthcare system investments in order to live and function as independently as possible.