

MEDICARE PAYMENT ADVISORY COMMISSION

PUBLIC MEETING

Ronald Reagan Building
International Trade Center
Horizon Ballroom
1300 13th Street, N.W.
Washington, D.C.

Wednesday, January 14, 2004
10:19 a.m.

COMMISSIONERS PRESENT:

GLENN M. HACKBARTH, Chair
ROBERT D. REISCHAUER, Ph.D., Vice Chair
SHEILA P. BURKE
AUTRY O.V. "PETE" DeBUSK
NANCY-ANN DePARLE
DAVID F. DURENBERGER
ALLEN FEEZOR
RALPH W. MULLER
ALAN R. NELSON, M.D.
JOSEPH P. NEWHOUSE, Ph.D.
CAROL RAPHAEL
ALICE ROSENBLATT
JOHN W. ROWE, M.D.
DAVID A. SMITH
RAY A. STOWERS, D.O.
MARY K. WAKEFIELD, Ph.D.
NICHOLAS J. WOLTER, M.D.

AGENDA ITEM: Public comment

MS. COYLE: I'm sorry, if I could, just 30 seconds. I was trying to get around and back in your standing-room only audience. Carmela Coyle, from the American Hospital Association.

I really wanted to offer two thoughts for the Commission's future consideration, but given that the votes didn't occur today I now have to throw in just a little note up front. That is as we take a look at both the hospital inpatient and outpatient data that's just been presented, costs are up, hospitals' financial performance is down, the performance trend is on the decline, and as staff has just suggested to you, 50 percent of hospitals have negative Medicare margins. So we would strongly encourage this commission to vote for full updates on both the inpatient and the outpatient side tomorrow.

But two thoughts for the Commission for their future consideration. Number one, we would strongly encourage the Commission to again revisit the update framework, especially as it relates to the application of the productivity targets that have just been the object of conversation this afternoon. Number one, a suggestion that you discuss and revisit the premise of a productivity target. And number two, specifically the estimation of that target. Clearly it's an important issue. It's important beyond the hospital setting, in the home health SNF setting. And given the conversation today would strongly encourage that you do that.

Second, I guess listening from the perspective of the audience I think the discussion this afternoon really illustrated the variation in performance, and you talked a lot about that, under these various prospective payment systems, and the difficulty that that presents in assessing payment adequacy. May just respectfully suggest that perhaps some of these issues really lead to the question of whether this prospective payment systems are really functioning adequately. And a thought and would offer some help, we as the American Hospital Association have actually convened a group of what we hope are some thoughtful people to carve out time -- and I know that's the hardest part of your jobs here -- but to carve out some time and to really begin taking a look at might there be some new payment approaches, some new payment systems where the focus is the provision of efficient care?

I don't know -- I know this is an incredibly busy commission. You've got lots of reports that really drive your agenda -- whether that may be an opportunity for a future retreat discussion, if not this year perhaps into the future. But again, just listening, some of what you've talked about here illustrates maybe these systems after at least 20 years on the inpatient side may not be serving us as effectively and adequately as could be. So would just offer that up for your consideration. Thank you.

MR. HACKBARTH: Okay, we're adjourned and we reconvene at 9:00 a.m. Thank you.