IMPLEMENTING HEALTH REFORM

The Independent Payment Advisory Board

Tucked within the Affordable Care Act is a provision aimed at reining in health care spending. The provision creates the Independent Payment Advisory Board (IPAB), a panel of 15 experts charged with slowing the growth of Medicare and private health care spending, as well as improving health care quality. By law, the board's recommendations will automatically take effect unless Congress enacts its own cost-cutting plan that achieves the same level of savings. The board isn't expected to submit its first recommendations to Congress until 2014, but already the medical community is crying foul.

Dr. J. Fred Ralston Jr., president of the American College of Physicians, explains some of the issues with the new board.

RHEUMATOLOGY NEWS: Everyone agrees that something needs to be done to control health care spending, so why is the IPAB so unpopular with physicians?

Dr. Ralston: The ACP is supportive of the general concept of an entity such as the IPAB. We believe that making complex Medicare payment and budgetary decisions is very difficult within a political process with substantial lobbying pressures, and that a knowledgeable, independent board serving this role would have some protection from this undue influence.

Many physician and other provider groups are opposed to this provision because a significant amount of influence is removed from the accessible, elected congressional body by the legislation. The sense is that too much congressional authority is removed, resulting in a situation in which there will be inadequate opportunity for physicians and other health care providers to express their point of view and influence the actions taken.

RN: How does the IPAB differ from other bodies like the Medicare Payment Advisory Commission (MedPAC)?

Dr. Ralston: The IPAB, a body whose members must be appointed by the president and confirmed by the Senate, is provided with the authority to have changes made by the Secretary [of Health and Human Services] to the Medicare system to reach a budgetary target. The IPAB-recommended changes will take effect unless Congress passes legislation that meets the same budgetary target. Even if Congress passes such legislation, that legislation can be vetoed by the president and the IPAB recommendation would still take effect.

MedPAC, as an advisory commission, can only make recommendations, which Congress can choose to enact or not. It has no direct authority to implement change, which differs significantly from the IPAB.

RN: The ACP and other medical societies have called for changes to how the IPAB is structured. What changes would the ACP like to see?

Dr. Ralston: The College would like to see the following changes:

► A requirement for inclusion of a primary care physician on the IPAB—the perspective of those physicians that provide first-contact, comprehensive, and continuous care to the population must be a part of the process.

► Stronger protections to ensure that the recommendations to decrease cost do not result in decreased quality of care.

► The authority for Congress to reject the implementation of IPAB recommendations with a majority vote, which maintains a reasonable influence in the hands of the elected body.

► Equal distribution of risk for budgetary reductions among all health care providers. Hospitals and certain other provider groups, for example, hospices, are protected from budgetary reductions over the first several years of the legislation, placing physicians at increased risk of being required to take reductions. ■

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