

PATIENT-CENTERED SOLUTIONS TO HEALTH CARE REFORM

IPAB: LACK OF ACCOUNTABILITY AND TRANSPARENCY

The AAOS recognizes the importance of lowering health care costs and we are committed to providing quality care that is cost effective. From the beginning of Medicare, members of Congress have played an essential role in shaping policies that best meet the needs of their communities and their constituents to ensure that the health care system is equipped to care for diverse populations across the country. Unfortunately, the Independent Payment Advisory Board (IPAB), created by the Patient Protection and Affordable Care Act (PPACA), threatens the ability of the people's elected representatives in Congress to ensure access to the health care they need, when they need it. The problems with the IPAB include the following:

- The IPAB will consist of 15 members appointed solely by the President instead of by the President and the Senate and House Majority and Minority Leaders.
- Fewer than half of the IPAB members can be health care providers, and no member can be a practicing physician or otherwise employed.
- The IPAB will be required to recommend cuts based on unrealistic spending targets starting in 2014.
- IPAB recommendations are "fast tracked" and automatically go into effect starting in fiscal year 2015 unless blocked or amended by Congress.
- Providers representing roughly 37 percent of all Medicare payments, including hospitals and hospice care, are exempt from IPAB cuts until 2020; thus IPAB directed cuts will disproportionately fall on all other providers and suppliers, including orthopaedic surgeons.
- Furthermore, without a permanent solution to the sustainable growth rate (SGR) formula, physicians are essentially subject to "double jeopardy" with cuts from both the SGR and IPAB.
- Finally, not only does the creation of the IPAB severely limit congressional authority, it essentially eliminates the transparency of hearings, debate and the meaningful opportunity of stakeholder input.

Leaving Medicare payment decisions in the hands of an unelected, unaccountable governmental body with minimal congressional oversight will negatively affect timely access to quality health care for older Americans and people with disabilities.

**THE AAOS RECOMMENDS THE FOLLOWING ACTION BE TAKEN:
COSPONSOR H.R. 452, THE MEDICARE DECISIONS ACCOUNTABILITY
ACT, TO REPEAL THE INDEPENDENT PAYMENT ADVISORY BOARD.**

RESPONSIBLY REDUCING COSTS

The AAOS has been a committed partner in patient safety, cultural competency, and providing high quality health care. The AAOS currently develops clinical practice guidelines; we initiated and are a partner in the American Joint Replacement Registry (AJRR) and we have published a primer to help educate orthopaedic surgeons on issues related to Accountable Care Organizations.