

## REPORT OF THE BOARD OF TRUSTEES

B of T Report 6-I-10

Subject: 2011 Strategic Plan

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1 Since its founding in 1847, the AMA has been dedicated to promoting the art and science of  
2 medicine and the betterment of public health. The core strategy to carry out this mission in the  
3 present environment is helping doctors help patients by working on the most important professional  
4 and public health issues.

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6 The AMA's Strategic Plan describes how the AMA will carry out this mission in the current  
7 environment. Its preparation is informed by study of current issues, House of Delegates policy,  
8 input from a broad spectrum of physicians and students, key stakeholder dynamics, a vision of  
9 long-term success, and knowledge of the AMA's capabilities and limitations. From this foundation,  
10 the Board of Trustees and management establish a set of forward-looking strategies each year to  
11 achieve its mission.

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13 Physicians and patients share an uncertainty about what sweeping health system reforms, including  
14 those enacted as part of the Patient Protection and Affordable Care Act (ACA) in March 2010, will  
15 mean for them. Many legislative provisions are not scheduled to take effect for several years, and it  
16 can be difficult for physicians to appreciate their significance or plan for the future. The impact of  
17 some components of the legislation, which on the surface may seem either "positive" or "negative"  
18 for physicians and patients, may in fact be "to be determined" by implementation decisions that  
19 have not yet been resolved through the regulatory process. The AMA has both the opportunity and  
20 responsibility to participate in this process.

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22 The AMA's strategy must also take into account the broader economic and budgetary environment.  
23 Federal funding issues add a degree of uncertainty to the legislative and regulatory landscape as  
24 many initiatives are authorized, but funds for their implementation have not been appropriated.  
25 Recovery from the nation's recession has been slow, and growing concerns about the federal deficit  
26 have substantially altered policymakers' approach to spending, with intense pressure to offset  
27 increases with corresponding reductions or additional revenue.

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29 The AMA's Strategic Plan for 2011 is structured around five urgent issues of broad, national  
30 concern for physicians. None of these five elements stand alone in the context of delivery of care,  
31 and the AMA's constituencies will be best served by a plan that recognizes the connections and  
32 seeks to achieve a balanced set of actions.

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34 ***Access to Care and Workforce:*** Access to care has been a major rallying cry for health system  
35 reform. Cost barriers and lack of competition in the insurance market have often been cited as  
36 primary impediments to access. However, with gains in access expected from the legislation  
37 enacted in 2010, the focus will shift toward affordability and workforce shortages. Key  
38 strategies for the AMA at this time include advancing AMA policies in emerging federal  
39 regulations with the goal of improving access and protecting coverage for patients at the state  
40 level, advocating for funding needed to expand graduate medical education, and ensuring that

1 physicians' perspectives are considered appropriately by the newly formed National Health  
2 Care Workforce Commission.

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4 In particular, several reports by the Council on Medical Education and adopted by the House of  
5 Delegates describe strategies to increase availability of practicing physicians in underserved  
6 areas, expand funding to increase the number of graduate medical education positions, and  
7 enhance primary care as a medical career choice. The AMA's long-standing leadership and  
8 commitment to excellence in undergraduate, graduate, and continuing professional education  
9 will serve physicians and patients well as various groups come together to seek team-based  
10 solutions to escalating workforce challenges. The AMA will continue to educate policymakers  
11 and the public regarding the need for significant differences in education and training of  
12 different health professionals to be reflected in scope of practice laws.

13  
14 ***Next Generation Physician Payment:*** Traditional payment systems have been implicated as  
15 detached from quality of care and frequently under-compensate physicians for care  
16 coordination and preventive activities that may lower system-wide costs and improve quality.  
17 Across both the public and private sectors, the AMA's strategy seeks payment policies that  
18 cover the cost of care, provide margins to sustain the viability of physician practices, are  
19 administratively feasible, preserve access to care, and promote high-quality patient-centered  
20 care. The next generation of physician payment methods must garner support from various  
21 stakeholders and deliver the value sought by policymakers and purchasers: better care  
22 coordination, improved quality, and reduced variation.

23  
24 There is no question that achieving a lasting and adequate solution to the SGR is a cornerstone  
25 to successful innovation with other new payment models. In collaboration with state and  
26 national medical specialty societies, the AMA will continue to press Congress to repeal the  
27 SGR and replace it with a stable funding policy that reflects increases in the cost of care. Work  
28 is also underway to remove current restrictions in Medicare law to allow patients and  
29 physicians to enter into private contracts without penalty to either party. The federal  
30 government should not restrict the ability of patients to spend their personal funds to preserve  
31 access to their physician of choice.

32  
33 **Eliminating the Independent Payment Advisory Board (IPAB) authorized by the Affordable**  
34 **Care Act is a top AMA priority in 2011.** Other strategies to improve Medicare payment  
35 policies include holding Medicare administrative contractors to performance standards,  
36 making the Medicare PQRI reporting standards and process less arduous and removing  
37 penalties for failure to participate in the Medicare quality reporting program.

38  
39 The new payment models that have been proposed as key to sustaining overall health system  
40 reform must be examined for their impact on patients and physicians. Accordingly, the AMA's  
41 2011 strategy includes working with public and private payers to identify viable options for  
42 bundled payment plans, gain-sharing plans, accountable care organizations and other evolving  
43 health care delivery programs. The strategy also encompasses advocacy to secure changes in  
44 antitrust enforcement policy and removal of other statutory or regulatory barriers that impede  
45 the ability of physicians to deliver quality of care through new delivery models, networks or  
46 practice arrangements.

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48 In anticipation of significant change, the AMA will provide physicians with legal, financial and  
49 ethical information on how to adapt and succeed under new payment models, as well as  
50 advocate for robust pilot testing of payment models and regulatory flexibility that will allow  
51 physician practices of all types to participate successfully.

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2 ***Prevention and Wellness:*** Unhealthy behaviors are a major cause of chronic diseases and  
3 premature death in the U.S. and have been identified as a major contributor to unsustainable  
4 health care expenditures. Despite increasing national attention, evidence-based clinical and  
5 community preventive services and strategies have yet to be consistently applied and adopted  
6 by the public. Recent legislation has reduced some challenges of implementation at the point of  
7 care, but there is still a significant need to improve health behaviors and address gaps in  
8 prevention and wellness care across all age and socioeconomic groups. For example, House  
9 testimony at A-10 clearly demonstrated the concerns of America's physicians with respect to  
10 availability and regulation of e-cigarettes, tobacco-free school environments, protection from  
11 second-hand smoke exposure, and availability and affordability of nutritious foods.  
12

13 In 2011, the AMA will focus on reducing gaps in preventive services guidelines, program  
14 models, continuing medical education, and physician payment in order to improve the delivery  
15 of patient-centered preventive health care and reduce disparities in care. The strategy calls for  
16 engagement of physicians, patients and families to facilitate clinical prevention and  
17 management of chronic diseases, with an emphasis on the obesity epidemic. A new initiative  
18 will prepare interested physicians with information and skills to be better advocates locally for  
19 the policies and environmental changes (such as better nutrition in schools, availability of  
20 exercise facilities, and accessibility of fresh foods) that can help reduce the prevalence of  
21 obesity.  
22

23 ***Quality of Care:*** Measuring, reporting on, and improving the quality and efficiency of care  
24 provided to patients are held out as promising approaches to reforming care delivery and  
25 reimbursement systems. Physicians want to practice in supportive systems that enable and  
26 empower them to deliver high-quality, safe, efficient, patient-centered care. However,  
27 fragmented delivery systems, lack of infrastructure to support informed decision-making, and  
28 limited access to timely data all contribute to variations in quality and cost. The AMA's  
29 strategies focus on supporting physicians in obtaining and using the information they need to  
30 lead, along with their patients, in the delivery of high-quality care. Indeed, the work of the  
31 AMA-convened Physician Consortium for Performance Improvement (PCPI) represents the  
32 most significant self-directed quality improvement program the medical profession—and  
33 arguably any profession—has ever undertaken.  
34

35 On the other hand, for the physician with a waiting room filled with patients, the energy  
36 required to capture, analyze, interpret and act upon such performance data cannot be permitted  
37 to overwhelm the purpose of the effort, which is to improve care. So in addition to pragmatic  
38 integration and use of PCPI measures in practice, the AMA's quality strategy also encompasses  
39 support for physicians in the selection and adoption of health information technology and  
40 expanded performance improvement offerings for continuing professional development.  
41 Patients are best served when the profession—not payers or government—has responsibility for  
42 identifying quality issues, setting targets for improvement, and implementing scientifically  
43 sound improvement strategies.  
44

45 ***Cost of Health Care:*** Health care spending in the U.S. continues to grow faster than other  
46 sectors of the economy, posing a challenge that must be considered at every level: the totality  
47 of cost at a macroeconomic level and how responsibility for cost is distributed (i.e., who pays).  
48 Historically, policymakers have responded to cost concerns with rate cuts for health providers  
49 and avoided dealing with demand side issues and population trends that affect health. Four  
50 broad strategies can help address rising health care costs: reduce the burden of preventable  
51 disease; make health care delivery more efficient; reduce non-clinical health system costs that

1 do not contribute value to patient care; and promote “value-based decision-making” at all  
2 levels.

3  
4 The House of Delegates has affirmed the AMA’s commitment to identify ways to reduce waste  
5 in the health care sector so that the trend of increasing health care costs over the years can be  
6 reversed. Some examples of targeted strategies include developing greater consistency in  
7 defining, estimating and reporting administrative costs, rationalizing regulation across health  
8 insurance markets, and encouraging the insurance industry to adopt more standardized claims-  
9 filing processes. Evidence-based clinical decision-making also has a role in reducing health  
10 care costs. Toward this end, a specific strategy for 2011 involves enlistment of specialty  
11 groups to identify and rectify patterns leading to overuse, underuse or misuse of specific  
12 services. Such initiatives are fundamental to the successful implementation of AMA-led  
13 quality programs.

14  
15 Reform of the medical liability system remains a significant but challenging opportunity with  
16 respect to reducing health care costs. Recent legislation provides funding for state-based pilot  
17 programs to develop promising alternative reforms, such as health courts, administrative  
18 determination of compensation, early offers, and safe harbors for the practice of evidence-  
19 based medicine. Although such pilot programs are an important first step for meaningful  
20 medical liability reforms, they must not be the last step. The AMA’s plans for 2011 include not  
21 only support for physician participation in such programs but also interpretation of and  
22 recommendations based on pilot program findings.

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24 As these cost strategies are implemented, special attention will be given to communications  
25 with physicians, patients, families and other stakeholders in order to raise their “value literacy”  
26 and inform their attitudes and behaviors around health care spending.

27  
28 None of these issues are new to the AMA, although the present environment poses new  
29 opportunities and challenges. Anticipating and mitigating potential disruptions of care, while  
30 enabling improvements to the delivery of care, remain prominent themes throughout our plans for  
31 2011.

32  
33 The multi-disciplinary teams assembled to carry out the five major strategies are drawn from the  
34 AMA Centers of Expertise which also carry responsibility for ongoing aspects of the mission. The  
35 following examples illustrate how the Centers advance the AMA’s strategic agenda:

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- 37 • Health policy experts gather data, conduct economic research, and analyze options and  
38 consequences in order to identify and develop constructive policy proposals that are consistent  
39 with the AMA mission.
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  - 41 • Federal, state, and private sector advocacy teams cultivate relationships, help multiple  
42 stakeholders understand disparate points of view and work through the tradeoffs and  
43 consequences of various proposals to seek common ground, and present proposals reflecting  
44 AMA policy.
  - 45
  - 46 • AMPAC and grassroots teams leverage relationships with physicians at large and the general  
47 public to amplify the messages of the AMA.
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  - 49 • Medical education teams work across the education continuum to ensure that America’s  
50 current and future physicians have the resources available to them to be well prepared to adapt

1 to advances in medicine and continue to serve patients with a high level of professionalism and  
2 competence.

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- 4 • Ethics experts provide leadership in academic research and training on ethics in health care,  
5 and produce useful knowledge and practical solutions for physicians confronted with ethical  
6 challenges at any stage of their professional life.
- 7
- 8 • A team focused on care for the growing number of elderly patients works to ensure physician  
9 competency in care for the aging patient, evaluate and disseminate physician tools and  
10 resources, improve elder patient self-management capacity and improve continuity of care in  
11 long-term care.
- 12
- 13 • Experts in disaster preparedness and response work to increase physician involvement,  
14 leadership and advocacy in planning and disaster response; improve crisis communications and  
15 notification links; enhance physician knowledge and skills for disaster response; and address  
16 related legal and ethical issues to ensure adequate care during public health emergencies, as  
17 well as helping patients respond and cope.
- 18
- 19 • Teams focused on medicine and public health support the integration of clinical, public health  
20 and community strategies in order to promote prevention and healthy lifestyles, physician  
21 health, control of infectious disease, and elimination of health care disparities.
- 22
- 23 • Experts in science and biotechnology focus on issues related to drug policy, environmental  
24 health and science, genetics and molecular medicine (including pharmacogenomics), and other  
25 emerging science or biotechnology-related issues that affect multiple medical specialties and  
26 impact current and future clinical practice.
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28 In 2011 and beyond, the AMA will be challenged to ensure the integrity and effectiveness of  
29 clinical interactions while nurturing positive changes in physicians' knowledge and skills, the  
30 systems in which they practice, and the health of their patients. The work of carefully tying  
31 together high-order systemic changes with the care delivery roles of individual physicians must be  
32 undertaken if health system reform and the AMA's role in it are to succeed.

### 33 34 A SUSTAINABLE AMA

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36 Although economic and political circumstances have some cyclical impact, a core challenge for  
37 sustaining AMA membership over the past several decades has been the need to achieve a stronger  
38 presence and demonstrate tangible value in the daily lives of physicians and physicians-in-training.  
39 In 2011, new strategies will be implemented aiming to bridge the gap in value and improve  
40 retention of physician members at every life stage, with special attention to transitions between  
41 stages. Operationally, the AMA will advance its application of the science of member recruitment  
42 and retention with special emphasis on audience segmentation, packaging and incentive offers,  
43 targeted and timely marketing, and diversification of non-print tactics. The AMA will continue to  
44 promote constructive collaboration with state and specialty societies and plans continued attention  
45 to the group membership channel. These near-term strategies are expected to offer some stability in  
46 what has been a volatile membership marketplace. Even so, the AMA will seek to identify other  
47 pragmatic structural solutions that may alleviate long-standing membership challenges.

48  
49 Overall, the AMA enjoys a strong financial position and strategies in the products and services area  
50 have been formulated to both defend and expand this position. Key initiatives for 2011 include

1 rollout of a new CPT online platform, protection and extension of various database products,  
2 expanded distribution of insurance services, expansion of non-print journal offerings, and changes  
3 to journal pricing for the institutional market. In addition, a number of new products and services  
4 will be delivered to physicians through the web-based Amagine™ platform. This new platform is  
5 entering the final phases of pre-launch testing in anticipation of a staged national rollout in 2011.  
6 The platform and related services address physician needs in selecting and implementing health  
7 information technology while at the same time providing continuous opportunity for interaction  
8 between the AMA and practicing physicians. Offerings delivered through the Amagine platform go  
9 a long way toward servicing heretofore unmet needs of practicing physicians and in doing so can  
10 also help reinforce the day-to-day value that the AMA offers physicians.