



MAINE MEDICAL ASSOCIATION

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TESTIMONY REGARDING

ADVISORY COUNCIL ON HEALTH SYSTEM DEVELOPMENT'S PROPOSED REPORT TO LEGISLATURE TO ADVANCE PAYMENT REFORM IN MAINE

Friday, December 11, 2009

Presented by Gordon H. Smith, Esq., Executive Vice President
Maine Medical Association

Good morning Chairman Rines and members of the Council. It is my pleasure to present comments on the *Proposed Report to the Legislature on Payment Reform* in Maine. The MMA congratulates the Council for taking on this difficult topic and for the significant effort you have put into it – beginning with the educational Primer and continuing through three lengthy educational sessions. The MMA was pleased to present comments at your most recent meeting. I have attached for the record, Dr. David McDermott's prepared remarks offered at that session.

Addressing the major conclusions in the Proposed Report, the MMA agrees that there is not, at least not yet, a single best model to replace the fee-for-service payment system and we concur that no single system can be adopted in the short term.

While the MMA supports the concept of payment reform, we recommend that any new form of payment be properly piloted and evaluated prior to widespread adoption. While we believe there may be promise in a number of suggested strategies, such as Accountable Care Organizations, many of the strategies noted have never been tested anywhere.

The MMA also agrees that payment reform should begin at the local level and should not be mandated by the state or federal government.

With reference to your recommendations, we support asking the Legislature to adopt a set of core principles. We support the five bulleted recommendations, but also realize that the details of each section will have to be sorted out and in some cases negotiated.

Finally, I have attached for your reference, a document prepared by the AMA Division of Legislative Counsel entitled, *H.R. 3962 and H.R. 3590 Health System Reform Legislative Summary Chart of Major Provisions dated December 2, 2009*. This side-by-side comparison of the House and Senate health care reform bills with AMA policy contains the AMA's policy statements on many aspects of payment reform with which the MMA would concur.

Thank you for the opportunity to present these brief comments.