VERMONT MEDICAL SOCIETY
RESOLUTION

Strategies to Address Rising Health Care Costs

Adopted on October 3, 2009

WHEREAS, In 2008, United States spent more than 17% of its gross domestic product (GDP) on health care, or $2.4 trillion annually -- more than any other industrialized country in terms of total and per capita spending and by 2017 health-care expenditures are expected to consume about 20% of GDP, or $4.3 trillion annually; and

WHEREAS, There are currently 46 million Americans without health insurance and White House Council of Economic Adviser's projections suggest that this number will rise to about 72 million in 2040 in the absence of reform due to the tendency of small firms not to provide coverage due to the rising cost of health care;[1] and

WHEREAS, The recently enacted American Recovery and Reinvestment Act of 2009 (ARRA) included $1.1 billion in discretionary spending for comparative effectiveness research ($400 million to the National Institutes of Health, $300 million to AHRQ and $400 million to the Secretary of Health and Human Services); and

WHEREAS, Comparative clinical effectiveness research compares clinical outcomes of alternative therapies or strategies used to prevent, treat, diagnose, and managed the same condition in order to assist physicians and their patients in making informed healthcare decisions; and

WHEREAS, The Institute of Medicine recently recommended 100 health topics[2] that should get high priority in comparative effectiveness research funding, including patient decision-making, health behavior and care management, comparing settings of care and utilization of surgical, radiological, and medical procedures; and

WHEREAS, Shared decision-making is the process of physicians interacting with patients who wish to be involved in arriving at an informed, values-based choice among two or more medically reasonable alternatives when there is no clearly indicated "best" therapeutic option,[3] and

WHEREAS, Driven by the combination of an aging population, increased prevalence of obesity, and lifestyle habits such as poor nutrition, physical inactivity, and tobacco use, the needs of people with chronic conditions will be the primary driver of demand for health care and the resulting costs for the foreseeable future; and

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[1] http://www.whitehouse.gov/administration/eop/cea/TheEconomicCaseforHealthCareReform/
[2] http://www.iom.edu/?id=71032
[3] Annette O'Connor et al, "Modifying Unwarranted Variations in Health Care: Shared Decision Making Using Patient Decision Aids", *Health Affairs – Web Exclusive*. 7 Oct. 2004, VAR 63-72

WHEREAS, Effective chronic disease management is best achieved when the patient actively manages his or her own care in collaboration with his primary care physician and other members of a health care team; and

WHEREAS, Vermont's response to the challenge of chronic conditions is embodied in the Vermont Blueprint for Health,[4] a collaborative project begun in the fall of 2003 and led by a public-private partnership; and

WHEREAS, "Defensive medicine, " the ordering of extra tests, procedures and referrals by physicians to reduce the risk of a lawsuit, is estimated to add an additional one percent to the overall cost of health care;[5] and

WHEREAS, Liability protections for physicians practicing evidence-based medicine and shared decision making would further reduce health care costs by promoting patient-safety efforts; and

WHEREAS, Successful cost containment and quality improvement initiatives must involve physicians and other health professionals, patients, hospitals and other health facilities, insurers, employers and government; and now therefore be it

RESOLVED, The Vermont Medical Society (VMS) supports the following broad strategies for addressing rising health care costs: reducing the burden of preventable disease; making health care delivery more efficient; reducing non-clinical health system costs that do not contribute value to patient care; and promoting value-based decision-making at all levels;[6] and be it further

RESOLVED, The VMS advocates that sources of medical research funding give priority to studies that collect both clinical and cost data and widely disseminate cost effective information to physicians and other healthcare decision-makers; and be it further

RESOLVED, The VMS advocates for administrative uniformity by payers regarding treatment and management of the same condition and the payment by payers of a case management fee to physicians for services relating to coordinating and managing the care of patients with chronic conditions; and be it further

RESOLVED, The VMS advocates for and supports strategies to cover the financial and administrative costs associated with the statewide implementation of the Blueprint; and be it further

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[4] http://healthvermont.gov/blueprint.aspx#annualrpt

[5] Michelle M. Mello and Troyen A. Brennan, "The Role of Medical Liability Reform in Federal Health Care Reform," *New England Journal Of Medicine* 361, no. 1 (2009): 1-3

[6] American Medical Association, H-155.960 Strategies to Address Rising Health Care Costs, CMS Rep. 8, A-07

RESOLVED, The VMS advocates for payers to provide refunds or other incentives to enrollees who successfully complete certain behavior modification programs, such as smoking cessation and weight loss; and be it further

RESOLVED, The VMS urges the General Assembly to enact medical liability reforms measures, including liability protection for defendants in compliance with authoritative guidelines, requiring a certificate of merit, setting new standards of informed consent for shared decision-making, limits on non-economic damages and establishing a system of pre-trial screening panels.