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RESOLUTION NO. * (Mississippi B)**

Emphasizing Direct Clinical Care in Health Care Spending

Introduced by the Mississippi Chapter

Referred to the Reference Committee on ***

WHEREAS, Physician time for direct patient care is essential for positive outcomes, and

WHEREAS, direct patient care by nurses and other clinical staff is also essential for positive outcomes, and

WHEREAS, physician time on administrative activity, including electronic health records, prior authorizations, extensive paperwork with medical supplies, complicated insurance requirements for network authorizations, peer-to-peer requirements for hospital admission approvals, countless requirements for multiple physician signatures for such things as do not resuscitate (DNR) approvals and hospice regulations, and various “quality” charting requirements reduces time available for direct patient care, and

WHEREAS, multiple studies have shown that physician time on administrative activity has increased in the last ten years and appears to have accelerated in the last two years, and

WHEREAS, economists assert that labor expenses account for more than half of the \$3.4 trillion spent on American health care each year, with physicians and nurses who are providing the actual hands-on care in our hospitals and clinics accounting for less and less, with more and more going to billers, coders, data-entry clerks, claims administrators, and other chart reviewers that delays appropriate services on technicalities, prior-authorization, or other issues, and

WHEREAS, while the Patient and Affordable Care Act (ACA) has added further administrative burdens “to reduce costs,” economists note that there is no money in the health care system to waste and every dollar must be directed towards quality care of the patient, and

WHEREAS, according to a January 2017 economic report, administrative costs for the American health care system are the highest in the developed world (for 2012, America spent \$631 per capita on health insurance administration; compare that to Japan, which spent \$54 per capita), and

WHEREAS, Congress and the Centers for Medicare and Medicaid Services (CMS) have established a firm benchmark limit for allowed administrative costs for Medicare Advantage (MA) plans, but do not seem to be enforcing its implementation, and

WHEREAS, administrative cost limits for MA plans reinforces that most resources should go toward provider payments for direct patient care, and

WHEREAS, administrative costs for physicians in fee-for-service Medicare is rising rapidly, and

1 WHEREAS, that the ever-increasing number of jobs in our health system far removed from
2 direct, hands-on patient care, places the quality of our system at significant risk since the
3 system can't afford these non-clinical jobs because every penny is needed for quality
4 medical care, now, therefore, be it

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6 RESOLVED, That the American Academy of Family Physicians lobby to require that 85% of
7 all health care expenditures go only to direct hands-on patient care, and be it further

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9 RESOLVED, That the American Academy of Family Physicians support strict restrictions
10 and penalties for all insurance companies including the Centers for Medicare and Medicaid
11 Services if they require or create administrative burdens which require more than 15% of
12 the health care dollar, and be it further

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14 RESOLVED, That the American Academy of Family Physicians request that the U.S.
15 Congress and the Centers for Medicare and Medicaid Services identify provider
16 administrative costs resulting from Medicare rules and regulations in the fee for service
17 payment system and either reduce that burden to the level allowed by Medicare Advantage
18 plans or increase provider payment for any administrative costs greater than 15%, with
19 penalties for exceeding this limitation.

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21 (Received 8/9/17)