



November 11, 2009

Dear Colleague:

The SDSMA delegation has just finished the meeting of the AMA House of Delegates (HOD) in Houston, Texas. There will be the standard in-depth report sent out to the membership in coming months in *South Dakota Medicine*. However, we wanted to let everyone know the final outcome on the health system reform debate in the HOD. After extensive debate, several resolutions were combined into one resolution on health system reform. There certainly wasn't unanimous agreement, but by the time the debate was finished, significant consensus was achieved.

AMA has established seven critical components for health system reform that will be used to evaluate legislation under development. Those seven components are:

- Health insurance coverage for all Americans;
- Insurance market reforms that expand choice of affordable coverage and eliminate denials for pre-existing conditions or due to arbitrary caps;
- Assurance that health care decisions will remain in the hands of patients and their physicians, not insurance companies or government officials;
- Investments and incentives for quality improvement and prevention and wellness initiatives;
- Repeal of the Medicare physician payment formula;
- Implementation of medical liability reforms to reduce the cost of defensive medicine; and
- Streamlined and standardized insurance claims processing requirements to eliminate unnecessary costs and administrative burdens.

In addition to affirming those critical components in working with Congress, the Obama Administration, and other stakeholders, the HOD added several other policy points. They include that the AMA advocate for reform alternatives that support AMA policy of pluralism, freedom of choice, freedom of practice, and universal access for patients. Reform also must include replacing the sustainable growth rate (SGR) formula with a Medicare physician payment system that automatically keeps pace with the cost of running a practice and is backed by a fair, stable funding formula. Finally, the AMA was directed to work with state and county medical societies, as well as specialty societies, to advocate for these reform alternatives.

There are several other very important policy additions in Resolution 203, which is attached to this letter for you to review. For more information on health system reform, please visit the SDSMA Health System Reform Web site, which can be reached via www.sdsma.org.

Thank you very much for your membership in the SDSMA.

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