February 7, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Leader Schumer:

On behalf of the more than 13,500 members of the American Academy of Dermatology Association (Academy) in the United States, I write to express the Academy’s appreciation for and opposition to certain provisions included in the House Amendment to the Senate Amendment to H.R. 1892 – Further Extension of Continuing Appropriations Act.

The Academy is committed to excellence in the medical and surgical treatment of skin disease; advocating high standards in clinical practice, education, and research in dermatology; and supporting and enhancing patient care to reduce the burden of disease. The Academy appreciates certain policies contained in this legislation that would further these goals by helping to improve access to care and to remove certain regulatory and administrative burdens to practices. Among these provisions are the following:

- **Relief from the Burdens of MACRA** – The legislation makes amendments to the Medicare Access and CHIP Reauthorization Act (MACRA), which the Academy has supported and advocated for, including the following: 1) Removes Medicare Part B drug costs from payment adjustments under the Merit-Based Incentive Payment System (MIPS); 2) Eliminates improvement scoring for the cost performance category for years two through five of MIPS; 3) Allows the Centers for Medicare and Medicaid Services (CMS) to reweight the cost performance category to not less than 10 percent for years two through five of MIPS; 4) Allows CMS flexibility in setting the performance threshold for years two through five to ensure a gradual and incremental transition to the performance threshold set at the mean or median for the sixth year; and 5) Allows the Physician Focused Payment Model Technical Advisory Committee (PTAC) to provide initial feedback on models regarding the extent to which they meet criteria and an explanation of the basis for the feedback.

- **Relief from Electronic Health Record (EHR) Burdens** – The legislation makes changes to both the EHR meaningful use (MU) program and to the Quality Payment Program's (QPP) advancing care information (ACI) effort that will remove the mandate that standards become more stringent over time.

- **Expanding Access to Telehealth** – The legislation will expand access to certain telehealth services within Medicare Advantage starting in 2020.
• Funding for Community Health Centers (CHCs) – The legislation will provide 2 years of additional funding ($3.6 billion annually) for CHCs.

The Academy appreciates the inclusion of these measures and believes they will not only help relieve regulatory burdens faced by our members but that some of these measures will also help improve access to care – particularly for underserved populations.

While appreciative of these measures, the Academy has also consistently stated its strong opposition to proposals that would extend the “misvalued codes” policy for any amount of time. The Academy is opposed to provisions included in the legislation that would extend the policy for one additional year through 2019. Given the timing of this provision, it is almost certain that the target of 0.5% for the reallocation of spending for “misvalued codes” will not be achieved, meaning that Medicare payments to all physicians will be reduced from the previously scheduled update of 0.5% under MACRA. Furthermore, the Academy is concerned regarding provisions, which would reduce funding of the Prevention and Public Health Fund, and eventually zero out funding for the program in 2027.

On behalf of the Academy, its members, and the millions of patients we serve, thank you for taking our comments into account as you consider this legislation. The Academy is appreciative of those provisions that seek to expand access to care and help ease the increased regulatory burdens that have been placed on dermatologists and their practices. Furthermore, the Academy also urges your consideration of our concerns regarding the troubling precedent of extending a policy that undermines the modest Medicare payment updates that were created to help physicians transition to a new payment system. Should you have any comments or questions regarding any of these issues, please do not hesitate to contact Shawn Friesen, the Academy’s Director, Legislative, Political & Grassroots Advocacy, at 202-712-2601 or sfriesen@aad.org.

Sincerely,

Henry W. Lim, MD, FAAD
President, American Academy of Dermatology Association