May 23, 2017

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch:

On behalf of the American Academy of Dermatology Association (Academy), which represents more than 13,500 dermatologists nationwide, I write to respond to your request for comment concerning the current discussion in Congress regarding health system reform. On behalf of the Academy, I want to express our appreciation for the opportunity to communicate our guiding principles and policy priorities in the context of your consideration of legislation to repeal and replace provisions of the Patient Protection and Affordable Care Act (Public Law 111-48) or what is commonly referred to as the Affordable Care Act (ACA).

Earlier this year, the Academy approved the attached Health System Reform Principles to guide our consideration of any health system reform proposals. These Principles are not new but were revised and updated from a previous 2009 version that had been approved by our leadership in the context of the health reform discussion that ultimately led to the enactment of the ACA. A foundational component of the Academy’s principles is a commitment to preserve the patient-physician relationship. With this commitment in mind, the Academy’s guiding principles include the following: Providing patients with access to affordable, quality dermatologic care; ensuring that efforts to curb growth in health care costs do not compromise quality or harm the patient-physician relationship; eliminating regulatory and administrative burdens that increase costs and do not improve patient care; and providing a means for those with pre-existing conditions to obtain useful and affordable coverage.

The Academy’s Principles and related policy positions have served to guide the Academy’s consideration of the American Health Care Act (H.R. 1628). Among the Principles is a commitment to enabling individuals to choose health insurance that best meets their needs. To this end, there are AHCA provisions that the Academy has historically supported. Specifically, the Academy has a history of support for expanding access to coverage options by raising the limits on health savings accounts (HSAs) and flexible spending accounts (FSAs), which help lower costs for some patients and often provide additional coverage options as well.

In addition to our Principles, the Academy also has a proud history of commitment to preventive health care measures and a recognition that preventive care is an important part of a patient-centered health system. With an epidemic of skin cancer which has grown to more than 4 million in number annually, dermatologists are on the frontlines in the fight against skin cancer. In this fight against skin cancer, the Academy and our dermatologists have made it a priority to advance public policies that promote prevention and education about skin cancer and the dangers of indoor tanning. Researchers estimate that upwards of 400,000 cases of skin cancer in the
U.S. each year may be linked to indoor tanning. It is for these reasons that the Academy opposes any attempts to repeal the tax on indoor tanning services as part of health system reform. To this end, the Academy led a coalition of 27 organizations in expressing opposition to provisions in the AHCA that would repeal the tax on indoor tanning services. According to the Congressional Budget Office and the Joint Committee on Taxation, it is estimated that repeal of the tax on indoor tanning services will cost the federal government $600 million in revenues over the next decade. Instead of repealing the tax on indoor tanning services, it is the Academy’s recommendation that the tax be maintained as a deterrent that recognizes the carcinogenic impact of indoor tanning and that the revenues be used to support programs of the underlying legislation. Furthermore, the Academy supports maintaining the Prevention and Public Health Fund (PPHF) that was created under the ACA. The PPHF provides much needed funding to the Centers for Disease Control and Prevention (CDC), which uses those funds to provide and promote critical services that improve the nation’s health, including, but not limited to, funding under the Skin Cancer Education and Prevention Fund.

In addition to the items previously mentioned, the Academy also has opposed certain ACA provisions and policies, including the Independent Payment Advisory Board (IPAB) and the Non-Discrimination Clause, which requires physicians to provide, at their own expense, auxiliary aids, assistance, and qualified interpreters for patients with limited English proficiency, all of which can place a significant burden on solo and small practices. The Academy also opposes the consequences of certain mandates that led to the narrowing of physician networks in Medicare Advantage and the health insurance marketplace, thus limiting patients’ access to specialists and subspecialists, including dermatologists. In revisiting health system reform, the Academy urges the Senate to pursue measures that will provide a diversity of coverage options for patients, while also ensuring adequate and transparent physician networks to maintain access, choice, and flexibility for patients.

On behalf of the Academy, thank you for the opportunity to share the Academy’s Health System Reform Principles and our policy priorities and positions in light of the latest discussions on health system reform. The Academy, our leaders, our members, and staff stand ready to serve as a resource to you, your colleagues, and staff in your consideration of health reform legislation. Should you have any questions regarding the Academy’s Principles, priorities, and policy positions, please contact Shawn Friesen, the Academy’s Director, Legislative, Political and Grassroots Advocacy, at sfriesen@aad.org or (202) 712-2601.

Sincerely,

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

Attachment
American Academy of Dermatology Association
Health System Reform Principles

The American Academy of Dermatology Association established these principles to guide physician leadership in taking policy positions and advocating for health system reform. At the root of these guiding principles is the need to preserve the patient-physician relationship.

- Americans should have access to affordable, quality dermatologic health care, and individuals should be free to choose their own physicians and the health insurance that best meets their needs.

- Health system reform must preserve diverse coverage options and ensure adequate and transparent networks of specialists and subspecialists offered by a multitude of insurers – maintaining access, choice and flexibility for patients and physicians.

- Health system reform and efforts to curb growth in health care costs must not compromise quality care or harm the patient-physician relationship.

- Health system reform should include repeal of the Independent Payment Advisory Board (IPAB), which, if required to act, would be empowered to make significant decisions about Medicare policy and payment decisions without a mechanism for public accountability or congressional oversight.

- Health system reform should eliminate a multitude of regulatory and administrative burdens that increase costs and do not improve patient care.

- Health system reform should include medical liability relief.

- New payment models, quality measurement, data collection, including, but not limited to clinical data registries, and reporting must be driven by physicians and physician specialty organizations. The purpose of these efforts must prioritize quality improvement over cost reduction, and such programs should be voluntary.

- Any new insurance coverage option must be voluntary for physicians, pay physicians fairly, and compete on a level playing field to prevent crowd-out of existing plans.

- Health system reform should provide a means for those with pre-existing conditions to obtain useful and affordable coverage.

- Health system reform should ensure that health care premiums are primarily spent on providing care to patients.