

June 3, 2015

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

The Honorable Ron Wyden
Ranking Member
Senate Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden:

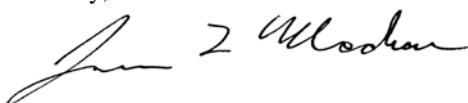
On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing to express support for your leadership and efforts to improve the Medicare audit and appeals process and to thank you for your willingness to consider our suggestions.

The current two-year backlog of Medicare appeals is unacceptable for both patients and physicians, and must be rectified immediately. The Audit & Appeal Fairness, Integrity, and Reforms in Medicare Act of 2015 includes several policy provisions supported by the AMA to address this issue. The legislation would significantly increase the resources for the Office of Medicare Hearings and Appeals (OMHA) and the Departmental Appeals Board of Health and Human Services (HHS) to decrease processing times and increase the volume of adjudications. Numerous improvements are included to the OMHA to reduce the variation in appeals decisions across the continuum. The AMA especially supports the inclusion of an alternate dispute resolution process to allow physicians to resolve large volumes of similar pending appeals.

The AMA strongly believes that one of the fundamental reasons for the current appeals backlog is the Recovery Audit Contractor (RAC) and other audit programs. Based on CMS' data and the experience of many physicians, RAC auditors are often wrong and their sometimes aggressive tactics have caused physician practices undue hardship and expense. This legislation would help to address this issue by requiring the Secretary of HHS to promote transparency and consistency in Medicare payment and coverage policy and ensuring Medicare review entities consistently apply them. It would also require increased physician oversight of such review entities. The AMA strongly supports shortening the timeframe for RAC contractors to conduct reviews related to the appropriateness of patient status to allow for the ability to rebill inpatient status denials. Finally, the AMA encourages you to consider the inclusion of a firm cap limiting the number of Additional Documentation Requests (ADR) given the significant administrative and compliance costs for physician practices related to medical record requests.

We appreciate all your work on this important issue and look forward to continuing to work with you to advance legislation to improve and refine the audit and appeals process.

Sincerely,



James L. Madara, MD