April 30, 2015

Via Electronic Filing

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
Re: Health Care Workshop, Project No. P131207

Dear Chairwoman Ramirez:

The American Academy of Dermatology Association (AADA), which represents nearly 13,500 dermatologists nationwide, would like to thank the Federal Trade Commission (FTC) for its efforts to ensure effective consumer protection and competition in the health care system. We appreciate the opportunity for the AADA's perspective to be considered by the FTC and look forward to the opportunity to engage in further discussions.

The Practice of Dermatology

The AADA is committed to excellence in medical and surgical treatment of skin disease, advocating high standards in clinical practice, education, and research in dermatology and dermatopathology; and supporting and enhancing patient care to reduce the burden of disease. Most dermatologists, nearly 70%, are either solo practitioners or in small group practices. Nevertheless, the AADA has observed that our members have been participating in solo group practices at a declining rate over the years, with an almost ten percent decrease in the number of dermatologists in solo practices in less than ten years. We want to ensure that this trend is driven by physician and patient preferences and choice, and not a financial necessity to remain viable in today's health care economy and market.

Alternative Payment Models

As noted by the FTC, the Centers for Medicare and Medicaid Services (CMS) and private payers are moving away from traditional fee-for-service (FFS) payment models toward alternative payment models (APMs) that attempt to incorporate performance indicators and quality metrics to measure and reward value. The AADA appreciates the FTC's careful examination of this trend, and we believe it is important that the models themselves, as well as the regulatory framework surrounding the models,

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allow for and encourage flexibility and diversity with regard to the types of providers that are able to participate in these arrangements.

The AADA, however, is concerned that smaller and specialty practices like dermatology face barriers to participation in APMs. Small patient populations make it difficult to achieve the statistical credibility required for participation in some APMs. Additionally, small and solo practices often lack the infrastructure and resources required to perform certain data sharing and clinical integration functions. Many small and solo dermatology practices, for example, are still in the process of adopting and implementing electronic health records (EHR) technology. Furthermore, a sizable minority of solo and small practices find that the expense and effort of adopting EHR technology is simply beyond their capacity. Of those who have adopted EHR systems, they are finding significant increases in overhead costs, increases in administrative office time, and corresponding decreases in the time they have available for patient care.

Moreover, current APMs often are based on a hospital model or require close interaction with a hospital system. Many dermatologists, however, practice in rural or remote communities and their offices are not located near a hospital. Additionally, many dermatologists' have a practice that by its very nature limits interactions with hospitals. APMs need to provide the flexibility to capture these small, unaffiliated practitioners as well as those who are in urban areas and have frequent interactions with hospitals.

While the AADA supports public and private payers' goal of rewarding and compensating value, the practice of dermatology is still in the process of developing the necessary quality measures to fulfill this goal in a meaningful and substantive way. The AADA is working on valid, risk-adjusted measures but the process is not yet complete. In the meantime, we need to ensure that dermatologists are still included in APMs while the quality measure development is underway.

The AADA is working hard to devise and evaluate models consistent with this trend toward APMs while ensuring that they address issues of clinical and practice concern. We are working to relate dermatological care and access to total cost and quality considerations consistent with the tenets of population-based health. A key piece of this work is finding pathways for small and solo practices to participate in APMs. Small and solo practices, for example, may need access to infrastructure and resources necessary for participation. This is a complicated process that requires balance and needs to be accomplished in a manner that does not lock certain physicians out of the marketplace.

Inaccurate Directories and Narrow Networks

The AADA appreciates the opportunity to share with the FTC our members' research and experience on the related issues of inaccurate provider directories and narrow networks. In a recent study published in *JAMA Dermatology*, researchers surveyed Medicare Advantage plans in 12 major metropolitan areas to determine the accuracy of their provider directories.[1] The study found that, on average, fewer than 30% of the physicians listed in the directories actually were practicing and accepting new patients.[2] The directories instead listed doctors who were duplicative, retired, not in-network, not accepting new patients, or in some cases, deceased. Unfortunately, these inaccuracies can make it very challenging for patients to find qualified physicians to give them the care they need when they need it.

The negative impact on patient access to care caused by inaccurate directories is further exacerbated by health plans' increasingly narrow networks. Narrow networks lead to long wait times to be seen by a specialist. One survey, for example, found that the average wait time to be seen by a dermatologist was almost 30 days.[3] Moreover, in nine of the 15 cities surveyed, wait times exceeded three weeks.[4] Other research found that the average wait time to see a dermatologist was 45 days.[5] This research shows that too many patients have to wait for extended periods of time to obtain the care that they need.

As health plans' network of physicians narrow, patients are too often forced to either travel significant distances for care, wait long periods of time to be seen by specialists, be seen by general practitioners without the necessary expertise to provide patients with the care they need, or forgo care altogether. As the FTC examines and monitors activity within the health care marketplace, the AADA believes that attention must be paid to both accurate and sufficient provider directories so that patients have access to the care they need in a timely and accessible manner.

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[1] Resneck J.S. Jr, Quiggle, A., Liu, M., & Brewster. D., *JAMA Derm*."The Accuracy of Dermatology Network Physician Directories Posted by Medicare Advantage Health Plans in an Era of Narrow Networks." 150(12) (2014):1290-1297.

[2] *Id*.

[3] Merritt-Hawkins, "Physician Appointment Wait Times and Medicaid and Medicare Acceptance Rates," (Jan. 2014),http://www.merritthawkins.com/uploadedFiles/MerrittHawkings/Surveys/mha2014waitsurvPDF.pdf.

[4] *Id*.

[5] Resneck J.S. Jr, Quiggle, A., Liu, M., & Brewster. D., *JAMA Derm*."The Accuracy of Dermatology Network Physician Directories Posted by Medicare Advantage Health Plans in an Era of Narrow Networks." 150(12) (2014):1290-1297.

Conclusion

The AADA appreciates the opportunity to share its perspective with the FTC. We look forward to collectively addressing potential challenges and opportunities that the trend in payment options has presented. We thank the FTC for holding the workshop and meeting with us, and look forward to a continued dialogue on this topic. Please contact Amanda Pezalla, JD, Manager, Regulatory Policy, at (202) 842-3555 or APezalla@aad.org if you require clarification on any of the points or would like more information.

Sincerely,

Mark Lebwohl, MD
President, American Academy of Dermatology Association

CC: Elaine Weiss, JD, Executive Director
Barbara Greenan, Senior Director, Advocacy and Policy
Leslie Stein Lloyd, JD, Director, Regulatory and Public Policy