

News

Top Stories

[Administrative Simplification](#)

[Alcohol Abuse](#)

[AMA](#)

[Annual Meeting](#)

[Cross Cultural Health](#)

[Driver Safety](#)

[Health Care Access Fund](#)

[Health Care Economics](#)

[Health Care Reform](#)

[Imaging Services](#)

[Interpreter Services](#)

[Legal Advocacy](#)

[Legislation](#)

[Medical Liability](#)

[Medicare](#)

[Military Health](#)

[Obesity](#)

[Quality and Safety](#)

[Scope of Practice](#)

[Sick Tax](#)

[Tiering](#)

[Tobacco](#)

[Safety Net](#)

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Obama speaks at AMA annual meeting

CHI CAGO, June 15, 2009—President Barack Obama was warmly welcomed by several thousand physicians attending the American Medical Association's (AMA) annual meeting in Chicago on Monday as he called on them to work with him to reform the nation's health care system.

During his speech, the president outlined his proposals for providing high-quality care, while at the same time reducing the cost of care and ensuring that all Americans have health care coverage. "The cost of health care is a threat to our economy, an escalating burden on our families and businesses, and a ticking time bomb for the federal budget," Obama told the audience, adding that the United States spends more than \$2 trillion a year on health care—almost 50 percent more per person than the nation with the next highest costs—and that despite such spending, people are still uninsured, the quality of care is often lower, and U.S. citizens aren't any healthier. "My view is that health care reform should be guided by a single principle: Fix what's broken and keep what works," the president said.

In order to bring down spending, increase quality, and make the system work better for patients and doctors alike, Obama called for:

- Moving from a paper-based medical records system to an electronic system;
- Investing in preventive care and encouraging people to take responsibility for their health by not smoking, undergoing preventive screenings, exercising, eating right, and working with their doctor to know how to reduce their risk for disease;
- Eliminating incentives to provide more care, rather than better care;
- Bundling payments for treatment of diseases such as diabetes;
- Creating incentives for physicians to work in teams and offering them bonuses for good health outcomes;
- Rethinking the cost of medical education for those who choose primary care specialties or who work in underserved parts of the country; and
- Identifying the best treatments for certain illnesses and encouraging rapid implementation of evidence-based guidelines.

The president also called for making affordable health care coverage available to all. He emphasized that under his proposal, people who are happy with their physician and their health plan will be able to keep them and described his idea for a health care exchange that would allow consumers to shop and compare plans and prices. "Every plan will offer an affordable option," he said. "I believe one of those options needs to be a public option that will inject competition into the health care market so we can force waste out of the system and keep insurance companies honest."

Minnesota Medical Association (MMA) President Noel Peterson, M.D., who attended the speech, said that many of the president's ideas were greeted with applause, even standing ovations, and that a number of his ideas for reform aligned with those being implemented in Minnesota. Peterson noted that many clinics in Minnesota have already implemented electronic medical records and that the state is working toward a way to make patients' records accessible to providers who work in different organizations. He said that the president's idea of bundling payments is similar to the "baskets of care" concept that was part of the state's health care reform act. With baskets of care, physicians are paid a fee for providing an entire set of services to patients with certain conditions or who need preventive care, rather than being paid for individual tests and services.

Peterson also said the president's idea of creating affordable insurance options is similar to the idea of establishing an essential benefit set that was part of the MMA's plan for reform outlined in Physicians' Plan for a Healthy Minnesota.

Peterson noted that one area where some physicians in the audience differed from the president was tort reform. Obama stated that he wanted to "scale back the current practice of defensive medicine," yet did not advocate capping malpractice awards. "But he did acknowledge the fear of lawsuits and the existence of defensive medicine and agreed that it needed addressing," Peterson said. "And he promised to keep working with the AMA to come up with a workable solution."



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Paying for Reform

In his speech to AMA members, President Obama estimated the price of providing affordable health coverage for all Americans, including the 46 million who are currently uninsured, will be around \$1 trillion over the next 10 years.

How will we foot the bill?

The president noted that as part of his budget that passed several months ago, he created a \$635 billion in a health reserve fund that would be funded by limiting tax deductions for the wealthiest individuals, ending overpayments to Medicare Advantage plans, reducing preventable hospital readmissions, and introducing generic biological drugs into the marketplace.

Other savings to Medicare and Medicaid would come as a result of the following:

- Adjusting Medicare payments for productivity gains;
- Reducing payments to hospitals that treat the uninsured as a result of more people having coverage;
- Efficient purchasing of prescription drugs; and
- Reducing fraud and abuse.

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