



February 16, 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. In the midst of the changing health care landscape, it is important to pause, connect with a diverse range of stakeholders, and discuss current experiences and the opportunities and challenges associated with them. Thus, we appreciate the opportunity for the AADA’s perspective to be considered in the workshop and look forward to the opportunity to engage in subsequent discussions.

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.

As noted in the FTC announcement for this workshop, recent trends are demonstrating a shift away from traditional fee-for-service (“FFS”) payment models toward alternative payment models (“APMs”) that attempt to incorporate performance indicators and quality metrics that attempt to measure and reward value. The movement toward APMs has become a top priority for health care policy makers as they have recently continued to make clear, and is reflective of growing trends in both the public and private sectors. For example, in late January 2015, HHS Secretary Burwell indicated a goal of tying 30% of traditional Medicare payments to alternative models by the end of 2016, and 50% by the end of 2018.

As the FTC and other stakeholders examine this movement away from FFS toward alternative models, we think it is important that the models themselves, as well as the regulatory framework surrounding the models, allow for and encourage flexibility and diversity with regard to the types of providers that are able to participate in these arrangements. In particular, we think it important that a wide spectrum of providers – including solo and small practices – be able to participate effectively in these models. Participation by these practices is essential to implementing APMs in a way that preserves patient choice in choosing how and from whom they wish to access care. We believe this is an important issue to consider as the FTC convenes it workshop and to inform public policy.

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It has been noted that smaller practices and specialty practices may face barriers in participating in various APMs. One such barrier is patient population – APM metrics and payment methodologies often depend on a sufficient patient population size or level of claims experience to achieve the statistical credibility required. Another barrier is that taking on the additional risk and care coordination seen in such models requires complex infrastructure related to data sharing and clinical integration. For example, National Quality Forum president Christine Cassel has noted that small practices face significant burdens in collecting and reporting the data needed for some metrics.¹

Thus, in thinking about and examining health care competition as it relates to this movement away from FFS toward APMs, an important consideration is encouraging flexibility for providers, including small and specialty practices, to maintain their practices while at the same time having access to the infrastructure and resources necessary to participate in APMs. Thus, as our health system transitions to payment models that require providers to bear more risk, the effect on provider competition, particularly in regards to solo and/or small groups, merits particular attention and consideration. We believe it is important for the FTC to encourage consideration of how public policy can play a role in ensuring that a plurality of models exist, and that various types of providers have the ability to participate in such models. Success in this endeavor will serve a suite of goals, all of which are reflected in the FTC's proposed list of topics including: the advancement of APMs, promotion of patient choice, and competition in the marketplace.

The AADA encourages consideration of these issues and discussion of potential options for addressing concerns. Opportunities to explore further include various forms of “medical neighboring” and virtual provider collaboration. While these opportunities may hold promise, attention is needed to infrastructure and data needs. Attention to these issues can help generate solutions. Given the importance of solo and/or small group practitioners to patient choice and competition, it is important to develop an array of APM options for such practices and potential “companion solutions” to assist small/solo practices.

The AADA appreciates the opportunity to share its perspective and join the discussion of this workshop. We look forward to collectively addressing potential challenges and opportunities that the trend in payment options has presented. We'd like to thank the FTC for holding the workshop, and look forward to a continued dialogue on this topic.

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Brett Coldiron, MD, FAAD
President
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¹ Washington Post, “Health care’s trillion dollar question: How to define ‘quality,’” January 30, 2015, <http://www.washingtonpost.com/blogs/wonkblog/wp/2015/01/30/the-biggest-challenge-facing-the-governments-new-plan-for-better-health-care/>