

Executive Committee

Agenda

JOINT SECTION ON DISORDERS OF THE SPINE & PERIPHERAL NERVES

March, 2006

1. Call to Order – R. Heary
2. Secretary's Report – D. Resnick
3. Treasurer's Report – T. Ryken / C. Wolfla
4. Update of Executive Committee Membership – D. Resnick
5. Annual Meeting/SPC – M. McLaughlin / J. Hurlbert
6. Exhibits – J. Knightley
7. Education – J. Hurlbert / M. Groff
8. Future Sites – J. Alexander / I. Kalfas
9. Nominations – R. Rodts / R. Heary
10. Fellowships – C. Wolfla
11. Research/Web Site – C. Wolfla
12. Guidelines – P. Matz
13. Outcomes – M. Kaiser
14. Washington/FDA – R. Rodts / R. Heary, R. Fessler
15. Peripheral Nerve – E. Zager
16. Public Relations – C. Kuntz, T. Choudhri / T. Choudhri
17. CPT – W. Michell, R. Johnson / R. Johnson
18. Membership – G. Trost / Z. Gokoslan
19. Bylaws – D. DiRisio / C. Kuntz
20. Newsletter – J. York
21. Scoliosis – S. Ondra
22. CME – E. Mendel
23. Publications – M. Wang
24. Quality Improvement – D. Resnick
25. Meeting Services through AANS – R. Heary
26. Artificial Disc Statement – R. Rodts
27. Announcements – R. Heary

Minutes of Executive Committee Meeting October, 2005

The Meeting was brought to order at 1600

Members Present:

Robert Heary, Daniel Resnick, Rusty Rodts, Paul Matz, Tanvir Choudhri, Peter Gerszten, Mark McLaughlin, Tim Ryken, John Hurlbert, Eric Zager, Chris Wolfla, Greg Trost, Michael Kaiser, Michael Groff, Charles Branch, Chris Shaffrey, Rick Fessler, Charles Kuntz, Daniel Kim, Praveen Mummaneni

Guests: Ron Eingelbreit, Tom Marshall, Troy Tippet

1) **Secretary's Report**

The minutes were reviewed and approved.

2) **Treasurer's report**

The treasurer's report was provided. Altogether the spine section is doing well with approximately 1.6 million in assets. A question regarding the \$40,000 set aside for the lumbar stenosis project was raised and it was reported that that project was no longer ongoing. The treasurer will adjust the balance sheets as appropriate.

3) **Update on Executive Committee membership**

- a) Review grid for accuracy
- b) Appointment of Publications committee chair

Announcements:

Add John Hurlbert annual meeting CME liason for 2005-6, and will move to SPC for 2006-2007

Replace Joe Alexander with Michael Groff for Future Sites (3 year)

Replace Tim Ryken with Ehud Mendel as CME Representative

Replace Daryl DiRisio with Charles Kuntz for Rules and Regulations

Replace Curtis Dickman with Mike Wang for Publications Chair

Add Greg Trost as ASTIM representative

Review of the bylaws pertaining to the election of officers occurred and a slate will be offered by the nominating committee within a few weeks.

4) **Committee Reports:**

- a) **Annual Meeting/SPC** Groff/McLaughlin

Mark McLaughlin reported that the program was virtually complete and passed out a preliminary schedule. Mark described the potential use of handheld feedback devices at the annual meeting. The cost of these devices would be approximately \$25,000 and may

be defrayed by sponsorship arrangements. A discussion ensued regarding the use of any data derived from the devices.

MOTION: To pursue the use of electronic survey instruments in the scientific sessions with a maximum budgetary impact of \$25,000 on the condition that all information derived from the instrument remain the exclusive property of the section and its parent organizations.

The motion was seconded and passed.

The budget will be amended accordingly.

b) Exhibits

Knightly

Mark McLaughlin reported that the booth space was largely sold out and that sponsorship arrangements are on track.

c) Education

Hurlbert

John Hurlbert reported that the CME arrangements with the AANS have been finalized. Integra has offered to sponsor an annual lectureship in honor of Dr. Kline.

d) Future Sites

/Fellowships

Alexander

Bob Heary reported that 2007 and 2009 will be Desert Ridge (Phoenix) and 2008 will be at Lake Buena Vista (Orlando). Negotiations with the AANS regarding meeting dates have resulted in our moving the 2008 meeting up a few weeks to accommodate the AANS for that year with the proviso that the AANS board of directors agreed to not have a meeting prior to April. The spine section meeting will be scheduled during the week of March 7-10 otherwise. A discussion of future sites ensued

e) Nominations

Rodts

The nominations committee will meet and forward a potential slate for publication in the newsletter within a few weeks.

f) Research/Web Site

Wolfla

Web report in agenda book page 97. There have been no significant problems or unexpected expenses. An archive of past executive committee minutes and agenda books is now on the website and is password protected in the "members only" area (Password "Dandy"). Each file is a password protected ZIP file (Password "Cushing"). Dr. Rodts indicated that some older documents may be available and will forward them to Dr. Wolfla. Dr. Wolfla was commended for his work.

Definition of Fellowships: (see agenda book page 80 regarding Sonntag and Crockard Fellowship). Dr. Midha had requested that a peripheral nerve fellow be eligible for one of these fellowships. The fellowship descriptions clearly state that these are for spine research. There is a Kline fellowship for peripheral nerve research. It was felt that we should stick to the current designations.

Sponsorship of Fellowships: Dr. Wolfla and Dr. Haid will spearhead the effort in order to obtain written commitments from our sponsors in order to ensure that fellowships are funded and that ongoing relationships can be established. Dr. Wolfla communicated that some of the turnover in the leadership of several companies has resulted in failure to follow-through with sponsorship agreements.

These documents will be forwarded to the AANS for meeting management services, the AANS and CNS for legal review, and to the secretary of the spine section for archiving in the agenda books.

g) Guidelines

Matz

A request for funding of a guidelines effort for cervical degenerative disease was made and a request for suggestions for participants was made.

Motion: To approve funding for production of the guidelines as proposed with the caveat that the section chairman must approve the final composition of the work group which should include orthopedic surgeons and perhaps non-operative specialists.

The motion was seconded and passed.

h) Outcomes

Kaiser

See report page 55 of agenda book.

i) Washington

Rodts/Ondra

Troy Tippet presented a report from the Washington Committee regarding activities related to requesting a category 1 code for total disc arthroplasty. The spine section leadership agreed with this strategy (see email chain). At the same time, a request to delay consideration of Medicare pay determination based on a lack of data. Troy also updated us on personnel changes at the CMS which may affect the spine surgery codes. Troy also reported on the excellent work by the CPT committee in dealing with the re-evaluation of the numerous spine codes described at the last meeting. The final ACDF outcome was, however, a loss of value by 2 RVUs. He also reported a loss of RVU value for single level decompression but a gain on multi-level procedures. Troy asked for help in recruiting new CPT committee members from the spine section. Troy described several issues regarding the SGR (sustainable growth rate) and the effects of the Katrina relief effort on efforts by the Washington Committee on attempts to reform the process.

Troy then updated the committee on the P4P initiative and described the activity of the AANS/CNS QIW committee in developing a pilot outcomes project and the use of performance measures in neurosurgery.

j) **Peripheral Nerve**

Zager

Dr. Zager described the arrangements in process to arrange the Integra lectureship in honor of Dr. Kline. The executive committee voted to approve this lectureship. Dr. Zager was asked to procure the appropriate paperwork for review with the AANS/CNS. Dr. Heary and Rodts described some changes in the structure of the spine sessions at the AANS and CNS annual meetings.

k) **Public Relations**

Kuntz/Choudhri

Dr. Choudhri brought up the issue of a logo and suggested a web based competition with a \$500 reward for the designer of the winning logo.

A motion to develop a logo with using the contest was made.

The motion was made, seconded, and passed.

l) **CPT**

Mitchell

No report given outside of Washington Committee report.

m) **Membership**

Trost

Membership has been stable at 1384 members (slightly up from 1366 this time last year). Resident membership will likely increase substantially once the combined AANS/Section membership application is initiated.

n) **Bylaws**

DiRisio

Bylaws report in agenda book. Dr. DiRisio has rotated off of the Bylaws committee.

o) **Newsletter**

York

Dr. Heary will contact Dr. York about her interest in pursuing this activity.

p) **CME**

Ryken

No report given responsibility will cycle to Ehud Mendel.

q) **Publications**

TBA

No report given, responsibility will cycle to Mike Wang.

r) Quality Improvement

Resnick

Outcomes instrument and G code issues were discussed. Drs. Mummaneni, Kaiser, Matz and Resnick will research the DVT and antibiotic prophylaxis issues as they relate to spine and provide a report to the QIW committee.

5) ACS Initiative

Hadley

The ACS is interested in expanding its interaction with subspecialty societies. Apparently the ACS is concerned about the potential proliferation of disc arthroplasty. Dr. Hadley has suggested that the spine section coordinate with orthopedic spine surgeons regarding the publication of recommendations for indications for implantation and training standards for surgeons implanting these devices and perhaps develop multispecialty training modules for surgeons attached to each of the national meetings of the participating societies. He also described the desire of the ACS to develop tracking mechanisms for the performance of disc arthroplasty (numbers of procedures, complications, etc.). Dr. Heary requested a written proposal from the ACS to detail exactly what they want. Dr. Hadley communicated that the ACS desires that the section approach the ACS with its own proposal to partner with the ACS in this endeavor. Dr. Heary thanked Dr. Hadley for the information and a discussion ensued. Dr. Fessler described his interpretation of what the request meant. There was general agreement that training courses sponsored by the section are appropriate, and partnering with other spine societies and neurosurgical societies was appropriate. The role that the ACS would play was not well understood. Dr. Heary will request that Dr. Hadley put his thoughts in writing for better consideration.

6) Meeting Services through AANS

Heary

Dr. Heary met with Mr. Marshall regarding some of the concerns outlined in the email chain enclosed in the agenda book. Some changes have been made regarding the AANS staff and meeting management. A discussion of other options for meeting management ensued. Dr. Heary suggested that we give the new staff a chance to perform during the coming meeting cycle. Further discussion relating to the section's ability to use other meeting services providers and the role of the CNS and AANS in our ability to contract with such providers ensued. Specific frustrations included the high rate of staff turnover, loss of continuity with future sites, and inexperience of AANS staff designated to make key decisions. Concerns regarding conflicts of interest with the AANS annual meeting were resurrected.

Spine Section will research options for meeting vendors outside of the AANS and CNS. Dr. Rodts will investigate with CNS if this is possible.

7) Artificial Disc Statement

Heary

Document is included in agenda and in handout distributed at meeting asking CMS to delay making a payment decision regarding disc arthroplasty due to a lack of data.

8) **Announcements**

Heary

Dr. Heary reported ongoing efforts to improve collaborative relationships with NASS, the CSRS, and the SRS (please see summary report under separate cover).

The meeting was adjourned at 18:19.

**Minutes of the Annual Business Meeting
AANS/CNS Joint Section on Disorders of the Spine and Peripheral Nerves**

**JW Marriott Resort at Desert Ridge, Phoenix, AZ
March 8, 2005**

Attendees: C. Shaffrey, E. Zager, C. Branch, G. Rodts, M. Groff, J. Hurlbert, R. Apfelbaum, R. Midha, P. McCormick, K. Foley, D. Resnick, J. Alexander, T. Choudri, C. Kuntz, P. Gersten, M. McLaughlin, J. Knightley, M. Kaiser, R. Haid, C. Wolfla, R. Heary, T. Ryken, S. Ondra, Z. Gokaslan.

The meeting was called to order by Dr. Rodts at 8:15 am. He acknowledged the outstanding work by Drs. Shaffrey and Groff in preparation for this annual meeting.

The motion was made and passed to accept the minutes of the 10/04 meeting with the corrections acknowledging the attendance of; C. Wolfla, R. Heary, C. Shaffrey, M. McLaughlin, and J. Knightley.

Dr. Rodts recognized Dr. Mitch Gropper and expressed his and the section's sympathy at his untimely death on Dec. 18, 2004. Details of his obituary are included in the agenda book. Special recognition will be made to the section membership on Friday, March 11. A memorial fund has been established for the Section at his family's request.

Committee Reports

Annual Meeting – Dr. Shaffrey expressed his concerns over the lack of institutional memory at the AANS office that were burdensome to he and the Annual Meeting team. Dr. Rodts reported that there appears to be satisfactory registration and outstanding corporate support at this meeting. Discussion ensued regarding the solicitation of corporate sponsorship of three significant annual meeting functions. Three major corporate participants have been solicited to be identified as sponsors for the Executive Committee Dinner, Chairman's Dinner and the Young Surgeons Dinner. Drs. Groff, Shaffrey and Haid discussed concerns over the process of cementing a three year commitment from 3 sponsors for these events. The following proposal was approved unanimously by the Executive Committee; The section has decided to establish 3 year agreements with major sponsors in lieu of the current practice of reestablishing support yearly. This will pertain to the Exec Comm. Dinner, Chairman's Dinner and Young Surgeons Dinner and will require sponsorship at the 35, 40, and 45,000 level in each subsequent year.

Dr. Rodts then appointed an ad hoc committee to develop a formal prospectus and algorithm for this and other sponsorship opportunities. The Annual Meeting Sponsorship Committee will be chaired by Dr. Ron Apfelbaum and consist of R. Haid, R. Rodts, P. Gertzten, J. Knightly, M. Groff, M. McLaughlin, and will present their proposal to the Exec. Com. at the April AANS meeting.

Coding/CPT Committee – Bill Mitchell participated by conference call. He is currently the Section liaison to the Coding and Reimbursement Committee of the AANS. He reported on Arthroplasty Codes and the history of Tracking codes and the process for moving from Category 3 to Category 1 codes. Dr. Heary expressed his concern about not having approach codes. Dr. Mitchell gave the rationale for avoidance of approach codes.

Kyphoplasty codes will have Fluoro or CT separately reportable and the expected value for the Kyphoplasty code will be similar to Vertebroplasty. Spinal I and D codes for subfascial exploration will have a Cervical/Thoracic and a Lumbar/Sacral code. Brachial Plexus exploration codes may be brought forward as a new family of codes. The peripheral nerve task force should work with Drs. Cozzens and Jacobs on this effort.

The last item was notice that the 5 year review of many of the most frequently used codes will be undertaken by the CPT committee this summer. The section should identify the undervalued codes, be accurate when completing the surveys, and should consider looking at other codes to bring forward for review. After discussion Dr. Rodts created an Ad Hoc Committee to develop the strategy for this code review. Dr. Heary will chair the group which will include T. Ryken, J. Alexander, D. Resnick, P. McCormick, J. Piper, W. Mitchell, and E. Zager. This group will present a report at the next Executive Com. meeting in April.

Treasurer's Report – Dr. Ryken presented the financial statements of the section from the AANS treasurer. The continued growth in section finances is evident both from Annual Meeting revenue and investment income. Graphs are included in the agenda book.

Exhibits Committee – Dr. McLaughlin will turn over this responsibility to Dr. Knightley. All of the Exhibit space was sold for this meeting and there were several new categories of vendors. He encouraged the Exec Com members to thank exhibitors for their participation.

Future Sites Committee – Dr. Alexander indicated that the 2006 meeting will be at the Wyndham Resort adjacent to the Disney properties in Orlando, March 8-12. The site for the 2007 meeting has not been finalized.

Education Committee – Dr. Hurlbert reported on the topics for the Section sessions at the AANS meeting in 2005 which will focus on lumbar disc arthroplasty. Suggestions for a topic for CNS 2005 were solicited and the proposed topic will be Spinal Alignment and Outcomes. Dr. Rodts discussed a proposal from the AANS to include a satellite spine meeting with the AANS Annual Meeting in 2006. The motion was made and passed unanimously that the Section opposes this proposal.

A reminder was given that the next Section Executive Committee meeting will be on April 18 from 1-2:45 in Rm. 272 in the New Orleans Convention Center.

Newsletter – There was no report from L. Khoo. Some concern was raised due to the lack of a newsletter since December 2003. Dr. Rodts wished to thank Dr. Khoo for his

contributions and solicited recommendations for a newsletter committee chair. Dr. Julie York was nominated and will be appointed pending her acceptance. Dr. Hurlbert will forward newsletter templates and protocol to her for future use.

Rules and Regulations – Dr. DiRisio was not present but Dr. Branch reported that the changes approved by the membership in 2004 have been incorporated into the document. Current discrepancies center around two published algorithms for election of officers in the rules and regulations. Dr. DiRisio will be notified of these discrepancies in Articles 4 and 5 and commissioned to rectify.

Nominating Committee – Dr. Haid reports that the committee proposes Dr. Charles Branch as Chair Elect. Nominations were solicited for member at large positions; names included M. Kaiser, C. Kuntz, A. Levy, I. Kalfas, G. Trost, P. Johnson, P. Arnold, D. Forney. Dr. Rodts recognizing that the committee had one vacancy appointed Dr. Apfelbaum to assist the committee in delivering a nomination slate to the Annual Business meeting on Friday. In addition to the Chair Elect, and Member at Large, the Secretary position will require a nomination to fill the vacancy left with Dr. Branch's nomination to Chair Elect.

Dr. Rodts with the approval of the Exec Com appointed Dr. R. Midha, and Dr. R. Apfelbaum to begin terms on the Nominating committee in 2005. Midha for a 3 yr term and Apfelbaum for a two year term.

Research and Awards Committee – Again the Exec Com recognized the untimely passing of Mitch Gropper. Dr. Rodts appointed Chris Wolfla to the chair of this committee. At this time the education committee is included in the roster of the research and awards committee. Dr. Wolfla will review and report on the committee membership so that it complies with the rules and regulations of the Section. The Award recipients for 2005 were noted and are published in the Annual Meeting Program.

Guidelines Committee – Dr. Resnick reported that the fusion guidelines have been completed and funded by the section. Sponsorship for publication is still being solicited. Dr. Rodts thanked Dr. Resnick for his effort upon the completion of his term as Chair. Dr. Paul Matz was appointed to Chair this committee. Current committee members include M. Groff, L. Khoo, A. Dailey, T. Choudri, M. Hadley, and B. Walters.

Publications Committee – Dr. Shaffrey reported that the Journal of Neurosurgery Spine wishes to continue its solicitation and publication of manuscripts from the Section Annual Meeting in a special edition later in the calendar year. This proposal was unanimously endorsed by the Exec Com with an ongoing approval.

Fellowship Committee – Dr. Alexander reports that a meeting of Fellowship directors will take place immediately following the Exec Com meeting and that a report will be forthcoming at the Exec Com meeting in April. It was noted that there is currently not a standing or ad hoc fellowship committee and Dr. Rodts appointed J. Alexander to chair

this committee. The following were appointed to membership on the committee; S. Ondra, C. Shaffrey, Z. Gokaslan, and C. Kuntz.

Outcomes Committee – Dr. Gersten asked to be relieved of the chair duty. Dr. Rodts appointed M. Kaiser and T. Choudri as co-chairs of this committee.

Washington Committee – Dr. Rodts will be the Section liaison to the Washington Committee for 05-06.

Public Relations Committee – Dr. Choudrhi reported on a desire to create a logo and queried if this was permissible by the parent organizations. He also indicated that this committee would handle newsletter responsibility if necessary.

The Section Executive Committee then entered into a period of discussion regarding the performance of the Annual Meeting service provided by the AANS. Major concerns were expressed by the Annual Meeting leaderships concerning not only quality of the service provided but regarding some perceived competitive or obstructive issues because of the proximity of the Section Annual Meeting to the AANS Annual Meeting. Dr. Rodts will communicate the Sections displeasure over these issues and request a meeting with Tom Marshall, Exec Director of the AANS to resolve or rectify these issues prior to the Section Exec Com meeting in April. The Section Exec Com proposes the creation of a separate administrative position outside of the AANS office to provide institutional memory to the Section and to direct annual meeting planning and perform other liaison services.

New Business

Dr Rodts presented a request from AANS membership regarding hyperhidrosis endoscopic procedure. No action was taken.

Integra Kline fellowship will be offered again and the corporate sponsorship solicited for a 5 year term.

Establishment of Section Archives in a private area of the website was proposed. We will accumulate prior minutes for digitalization and deposit into the website.

There being no further business the meeting was adjourned at 12:30 pm.

Minutes recorded and submitted by;

Charles L. Branch Jr.,
Secretary, Section Executive Committee

Attachments include updated Exec Com leadership and committee membership grid.

Tuesday, March 8, 2005

The section has decided to establish 3 year agreements with its major sponsors rather than the current practice of reestablishing support yearly. This was designed to give all sponsors equal access to desirable funding opportunities and give the section a longer horizon for financial planning.

To date Depuy Spine and Synthes have agreed to the three year plan while MSD has only signed up for one year and deferred their decision.

The expected sponsorship grid for the next several years:

	2005	2006	2007
Executive Committee Dinner	Synthes	Depuy	Medtronic
Chairman's Dinner	Medtronic	Synthes	Depuy
Young Surgeon's Dinner	Depuy	Medtronic	Synthes

Executive Committee
Officers and Committee Chairs
JOINT SECTION ON DISORDERS OF THE SPINE & PERIPHERAL NERVES
September, 2005

Position	2003-04	2004-05	2005-06	2006-07
Chair	R.Haid	G. Rodts	R. Heary	C. Branch
Chair Elect	G.Rodts	R. Heary	C. Branch	J. Alexander*
Immediate Past Chair	N.Baldwin	R. Haid	G. Rodts	R. Heary
Secretary	C.Branch	C. Branch	D.Resnick	D. Resnick
Treasurer	T.Ryken	T. Ryken	T. Ryken	C. Wolfla*
Members at Large	R.Heary R. Apfelbaum J. Alexander	D. Kim R. Apfelbaum J. Alexander	J. Alexander D. Kim K. Foley	D. Kim K. Foley G. Trost*
Ex-Officio Members	R. Heary Z. Gokaslan	Z. Gokaslan	Z. Gokaslan	C. Shaffrey G. Rodts
Annual Meeting Chair	D.Resnick	C. Shaffrey	M. Groff	M. McLaughlin
Scientific Program Chair	C. Shaffrey	M. Groff	M. McLaughlin	J. Hurlbert
Exhibit Chair	M.McLaughlin/Knightly	M.McLaughlin	J. Knightley	J. Knightly
Future Sites	J. Alexander	J. Alexander	J. Alexander	I. Kalfas
Education Committee Chair	J.Hurlbert	J. Hurlbert	J. Hurlbert	M. Groff
CME Representative	T.Ryken	T. Ryken	T. Ryken	E. Mendal
Newsletter	Hurlbert/Khoo	L. Khoo	J. York	J. York
Rules and Regulations Chair	D.DiRisio	D. DiRisio	D. DiRisio	C. Kuntz
Nominating Committee Chair	N.Baldwin	R. Haid	R. Rodts	R. Heary
Research and Awards Committee Chair		J.Guest	C. Wolfla	C. Wolfla
Publications Committee Chair	V.Traynelis	C. Dickman	C. Dickman	M. Wang
Web Site Committee Chair	Levi/Wolfla	C. Wolfla	C. Wolfla	C. Wolfla
Guidelines Committee Chair	D.Resnick	D. Resnick	P. Matz	P. Matz
Membership Committee	G.Trost	G. Trost	G. Trost	Z. Gokaslan
Outcomes Committee Chair	P.Gerszten	P. Gerszten	M. Kaiser T. Choudhri	M. Kaiser
CPT Committee	W.Mitchell G. Przybylski	W. Mitchell	W. Mitchell R. Johnson	R. Johnson
Peripheral Nerve Task Force Chair	R.Midha	R. Midha	E. Zager	E. Zager
Washington/FDA	Fessler/McCormick	P. McCormick	R. Rodts	R. Heary
Section Rep.,P.A.C.	S.Ondra	S. Ondra	S. Ondra	S. Ondra
Public Relations	G. Pait	C. Kuntz T.Choudhri	C. Kuntz T. Choudhri	T. Choudhri
Fellowships			J. Alexander	P. Mummaneni

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For 2006-2007

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To: Dr. Robert Heary; Dr. Charles Branch
Cc: Dr. Michael Groff; Dr. Ehud Mendel; Resnick (Daniel)
Subject: CNS 2006 Chicago - Spine Section Involvement

Hi Bob and Charlie,

I've spent quite a bit of time discussing the format for the 2006 CNS with Tony Asher (scientific program chair). He's running the show quite a bit differently than what I've seen in the three years I've been doing this now, so I wanted to make sure we all knew what was happening and why. The attached spreadsheet highlights (in pink) the contributions we will be making as the spine section.

In my experience, traditionally we have had two full afternoons, to run as we please - usually invited speakers on select topics before coffee, followed by platform or poster presentations afterwards. Usually Monday afternoon has gone to spine and Wednesday afternoon has gone to peripheral nerve.

This year all of the submitted papers have been carved out into concurrent sessions for each section, occurring on Monday afternoon. Instead of a coffee break there will be some type of poster abstract presentations. This afternoon of "Science" is called the Forum.

Then we have an additional 1½ hours (Tuesday and Wednesday) respectively. One of these sessions will be an interactive session using PDA's, likely to be built on case presentations and discussions - which I think will be very well received. The other 1½ hr session is to be more in the traditional vein of invited speakers on selected topics.

Finally two special courses kind of fall under our domain in that they are spine topics and that Dan Resnick has agreed to look after them.

So, Bob and Charlie, I just want to make sure that you are aware of these changes. I also want to point out that, unless someone can see a way I don't, we are precluded from

featuring any peripheral nerve topics at the CNS this year. We can certainly include any worthy peripheral nerve papers (submitted as abstracts) in our Monday afternoon Forum. One of the interactive cases on Tuesday afternoon could also be peripheral nerve. However I don't see any room for a didactic educational session. This may upset some of our PN colleagues. That is why I simply wanted to draw it to your attention. I'll have to be up front with Eric Zager about all of this.

With your permission I'll try to coordinate between Michael Groff, Ehud Mendel, Tony Asher, and myself to make sure all else goes smoothly.

Kind Regards

john

SPINESECTION[®].ORG

SpineSection.org is now two years old, having gone on line January 30, 2004. There have been no significant problems since the last report. Since the last report, we have incurred expenses of \$461.30 for software and \$76.32 for hosting.

In the last three months, we have added .pdf files of the Lumbar Fusion Guidelines to the site, on the Meetings/Education page. In addition, all other pages have undergone routine updating.

As a reminder, the archive page works like this:

- The archive page will be addressed using a link “For Members Only” at the bottom of the entry page
- This link will take the user to the archive page, which is protected using a common username/password
- The password is: Dandy
- User will be taken to a download page where individual files can be downloaded
- Each file is zipped with a password.
- This password is: Cushing

As always, new content is always welcome and very much needed to keep the site “fresh.” Please send appropriate material to: cwolfla@mcw.edu.

Respectfully Submitted,

Chris Wolfla MD

AANS/CNS SECTION ON DISORDERS OF THE SPINE AND PERIPHERAL NERVES



American
Association of
Neurological
Surgeons

A Section of the
American Association of Neurological Surgeons
and
Congress of Neurological Surgeons



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2006 ANNUAL MEETING CHAIRPERSON

Michael W. Groff, MD
Indiana University Medical Center
Phone: (317) 274-8549
Fax: (317) 274-7351
E-mail: mgroff@iupui.edu

2006 SCIENTIFIC PROGRAM CHAIRPERSON

Mark R. McLaughlin, MD
Princeton Brain & Spine Care
Phone: (215) 741-3141
Fax: (215) 741-3143
E-mail: mclaughlin@spineuniverse.com

MEMBERS-AT-LARGE

Joseph T. Alexander, MD
E-mail: jtalexan@wfubmc.edu

Daniel H. Kim, MD
E-mail: neurokim@stanford.edu

Mr. Oliver Burckhardt
Aesculap

27 September 2005

Dear Mr. Burckhardt:

I understand that you spoke with Dr. Robert Heary yesterday regarding continued support of the Annual Ronald Apfelbaum Research Award, sponsored by Aesculap. On behalf of the AANS/CNS Joint Section on Disorders of the Spine and Peripheral Nerves, I sincerely thank you for this support.

By way of review, the Annual Ronald Apfelbaum Research Award is for either basic or clinical research related to the spine. The award funds up to \$15,000 and is intended for primary investigators with proposed research requiring national level funding, to support the preparation of grant proposals and external consultations, and to assist in the development of the proposal, planning meetings, and the collection of pilot data. Work that can be completed without such support (such as literature review and preliminary protocol design) should be completed before applying for this award.

The format of the proposal should follow that of the NIH grant package. The applicants should clearly define their specific aims, include a pertinent literature review, describe the proposed methodology and plan for analysis of data. This part of the proposal should not exceed 10 double-spaced pages. A detailed budget and budget justification should also be included. The budget should not include salary support for the primary investigator or co-investigators. Institutional indirect costs are also not to be met using the awards.

The award recipient is selected by the Research and Awards Committee of AANS/CNS Joint Section on Disorders of the Spine and Peripheral Nerves, of which I am currently Co-Chair. Award winners are announced at the Annual Meeting.

Again, thank you for your continued support of this important educational offering. If you have any additional questions, please contact me at your convenience (cwolfla@neuroscience.mcw.edu).

Sincerely,

Christopher Wolfla MD

From: Robert Heary [heary@umdnj.edu]
Sent: Monday, February 13, 2006 4:18 PM
To: CWolfla@mcw.edu
Cc: mgh@aans.org; vlg@aans.org; Resnick (Daniel)
Subject: Re: FW: Sanford Larson Research Award

chris:

hi, per a conversation i had earlier today, i have been informed that depuy will sponsor the laron award again this year (2006). as soon as i have the official confirmation on this, i will let you know. this will likely occur tomorrow. i will also want to get this added into the program book as soon as it is confirmed. bob

>>> "Wolfla, Christopher" <CWolfla@mcw.edu> 02/13/06 4:30 PM >>>
Dear Mr. Pelton and Mr. Willard:

Attached please find a copy of a contact for sponsorship of last year's Spine Section Larson Award. Keep in mind that these funds were disbursed a long time ago, and that the Spine Section really has no control over their use after disbursement. Depuy Spine wants the Spine Section to sign this before they send the money.

Please make necessary corrections in order that I may send it back to Depuy Spine for their approval then on to the AANS and CNS for signatures.

Thanks again.

Sincerely

Chris Wolfla MD

Co-Chair, Joint Section on Disorders of the Spine and Peripheral Nerves Fellowships and Awards Committee

From: Nunes, Jennifer [DPYUS] [mailto:JNunes1@DPYUS.JNJ.COM]
Sent: Monday, February 13, 2006 3:21 PM
To: Wolfla, Christopher
Cc: Eskay-Auerbach MD, JD, Marjorie [DPYUS]
Subject: Sanford Larson Research Award

Hi Dr. Wolfla,

I received your voicemail. Here is the soft copy of the agreement. Please review and return with your corrections.

<<AANS CNS Joint Section Sanford Larson 012706.doc>>

Thanks,
Jennifer

Jennifer Nunes
Surgeon Contracts
Medical Affairs
*DePuy Spine
A Johnson & Johnson Company
325 Paramount Drive
Raynham, MA 02767
Phone: 508-828-3326
Fax: 508-880-8302
jnunes1@dpyus.jnj.com

From: Robert Heary [heary@umdnj.edu]
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>>> "Wolfla, Christopher" <CWolfla@mcw.edu> 02/13/06 4:30 PM >>>
Dear Mr. Pelton and Mr. Willard:



March 1, 2006

Attn: Christopher Wolfla, MD
Department of Neurosurgery
Medical College of Wisconsin
9200 West Wisconsin Avenue
Milwaukee, WI 53226

RE: AANS/CNS Section on Disorders of the Spine & Peripheral Nerves

Dear Dr. Wolfla,

DePuy Spine, Inc. (the "Company") is pleased to provide the American Association of Neurological Surgeons and Congress of Neurological Surgeons for the benefit of **AANS/CNS Section on Disorders of the Spine and Peripheral Nerves** (collectively the "Sponsor") with an educational grant in the amount of **thirty thousand dollars** (\$30,000.00) (the "Grant"). The purpose of this letter agreement is to set forth the terms and conditions pursuant to which the Company shall provide the Grant to the Sponsor.

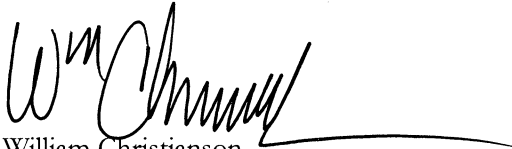
1. The Grant proceeds shall be used by the Sponsor for the **"2005 Sanford Larson Research Award"** (the "Award"). The Grant proceeds shall be used by the recipient of the Award (the "Award Recipient") exclusively for educational and research expenses.
2. The Sponsor and Company acknowledge and agree that the has not been determined in a manner that takes into account the volume or value of any business otherwise generated between the Sponsor and the Company, and shall not obligate the Sponsor to purchase, use, recommend, or arrange for the use of any product of the Company or its affiliates ("Company Products"), or to place any Company Products on any formulary. The Sponsor shall permit the Company to review the Award Recipient's expense records, which are related to the Award, as requested by the Company from time to time.
3. The Sponsor shall have sole and complete control over Grant consistent with terms of this Agreement, including all enduring materials.
4. This letter agreement may be immediately terminated by the Company in the event of a material breach by the Sponsor, which breach is not cured by the Sponsor within thirty (30) days after written notice thereof from the Company. In the event that this letter agreement is terminated as provided in this paragraph, the Sponsor shall immediately return to the Company the remainder of the Grant proceeds which have not been expended as of the effective date of termination.
5. The Sponsor and the Company agree that this letter agreement shall be governed by and interpreted under the laws of the Commonwealth of Massachusetts. Any controversy or claim arising out of or relating to this Agreement or the validity, inducement or breach thereof, shall be settled by arbitration in Massachusetts before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then pertaining.

The Sponsor and Company hereby consent to the jurisdiction of the federal district court for the district in which the arbitration is held for the enforcement of this provision and the entry of judgment on any award rendered hereunder. The Sponsor and Company further agree that this letter agreement sets forth their entire understanding regarding the subject matter hereof, supercedes all prior agreements or understandings, whether written or oral, between the Sponsor and the Company, and can only be modified upon the prior mutual written agreement of the Sponsor and the Company.

If the terms of this letter agreement are acceptable to the Sponsor, please acknowledge the Sponsor's agreement to the terms of this letter agreement by countersigning the attached copy and returning it to DePuy Spine attention **Jennifer Nunes, 325 Paramount Drive, Raynham, MA 02767**. Any fully executed facsimile copy of this document shall be deemed an original for all purposes. The grant proceeds will be forwarded to the Sponsor upon DePuy Spine's receipt of this signed letter agreement and completed W9.

Sincerely,

DEPUY SPINE, INC.



William Christianson
Worldwide Vice President
Regulatory Affairs

Agreed and acknowledged this ____ day of _____.
[SPONSOR]

By: _____
Signature

Print Name

Title: CONGRESS OF NEUROLOGICAL SURGEONS

Agreed and acknowledged this ____ day of _____.
[SPONSOR]

By: _____
Signature

Print Name

Title: AMERICAN ASSOCIATION OF NEUROLOGICAL SURGEONS



March 1, 2006

Attn: Christopher Wolfla, MD
Department of Neurosurgery
Medical College of Wisconsin
9200 West Wisconsin Avenue
Milwaukee, WI 53226

RE: AANS/CNS Section on Disorders of the Spine & Peripheral Nerves

Dear Dr. Wolfla,

DePuy Spine, Inc. (the "Company") is pleased to provide the American Association of Neurological Surgeons and Congress of Neurological Surgeons for the benefit of **AANS/CNS Section on Disorders of the Spine and Peripheral Nerves** (collectively the "Sponsor") with an educational grant in the amount of **thirty thousand dollars** (\$30,000.00) per year for the years, 2006, 2007, 2008 and 2009 (the "Grant"). The purpose of this letter agreement is to set forth the terms and conditions pursuant to which the Company shall provide the Grant to the Sponsor. For each year of the Grant, the Sponsor will provide DePuy Spine with a detailed reporting of expenses related to the Award. Upon receipt of the annual written report, the funding will be disseminated to the Sponsor for the upcoming year. The annual report must be submitted to the Director of Medical Affairs 6-8 weeks prior to the award year.

1. The Grant proceeds shall be used by the Sponsor for the "**Sanford Larson Research Award**" (the "Award"). The Grant proceeds shall be used by the recipient of the Award (the "Award Recipient") exclusively for educational and research expenses.
2. The Sponsor and Company acknowledge and agree that the Grant has not been determined in a manner that takes into account the volume or value of any business otherwise generated between the Sponsor and the Company, and shall not obligate the Sponsor to purchase, use, recommend, or arrange for the use of any product of the Company or its affiliates ("Company Products"), or to place any Company Products on any formulary. The Sponsor shall permit the Company to review the Award Recipient's expense records, which are related to the Award, as requested by the Company from time to time.
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5. The Sponsor and the Company agree that this letter agreement shall be governed by and interpreted under the laws of the Commonwealth of Massachusetts. Any controversy or claim arising out of or relating to this Agreement or the validity, inducement or breach thereof, shall be settled by arbitration in Massachusetts before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then pertaining. The Sponsor and Company hereby consent to the jurisdiction of the federal district court for the district in which the arbitration is held for the enforcement of this provision and the entry of judgment on any award rendered hereunder. The Sponsor and Company further agree that this letter agreement sets forth their entire understanding regarding the subject matter hereof, supercedes all prior agreements or understandings, whether written or oral, between the Sponsor and the Company, and can only be modified upon the prior mutual written agreement of the Sponsor and the Company.

If the terms of this letter agreement are acceptable to the Sponsor, please acknowledge the Sponsor's agreement to the terms of this letter agreement by countersigning the attached copy and returning it to DePuy Spine attention **Jennifer Nunes, 325 Paramount Drive, Raynham, MA 02767**. Any fully executed facsimile copy of this document shall be deemed an original for all purposes. The grant proceeds will be forwarded to the Sponsor upon DePuy Spine's receipt of this signed letter agreement and completed W9.

Sincerely,

DEPUY SPINE, INC.



William Christianson
Worldwide Vice President
Regulatory Affairs

Agreed and acknowledged this ____ day of _____.

By: _____
Signature

Print Name

Title: CONGRESS OF NEUROLOGICAL SURGEONS

Agreed and acknowledged this ____ day of _____.

By: _____
Signature

Print Name

Title: AMERICAN ASSOCIATION OF NEUROLOGICAL SURGEONS



February 21, 2006

Attn: Robert Heary, MD
UMD- New Jersey
90 Bergen Street, Suite 7300
Newark, NJ 07103-2425

Dear Dr. Heary,

Thank you for giving DePuy Spine the opportunity to fund the AANS/CNS Section on Disorders of the Spine & Peripheral Nerves' **2005 & 2006 Sanford Larson Research Awards**. The Education Grant Review Committee discussed the proposal at the January 23, 2006 meeting and agreed to approve funding for this respected award. Two letters of agreement have been sent to Dr. Christopher Wolfla's attention. Once the agreement has been signed and returned to us, we will process the payment.

We appreciate your having brought this opportunity to our attention and apologize for the confusion associated with this process. We encourage you to approach us with future educational requests. If you have any questions regarding this letter please contact me at 508.880.8164.

Best Regards,

Marjorie Eskay-Auerbach, M.D., J.D.
Director, Medical Affairs

MEA/jpn

CC: S. Lampkin
C. Wolfla

From: Nunes, Jennifer [DPYUS] [JNunes1@DPYUS.JNJ.COM]
Sent: Wednesday, January 25, 2006 10:16 AM
To: Wolfla, Christopher
Cc: Eskay-Auerbach MD, JD, Marjorie [DPYUS]
Subject: Sanford Larson Research Award 2006 Funding

Dear Dr. Wolfla,

The Educational Grant Committee met this past Monday, January 23rd and reviewed your request for funding the **2006 Sanford Larson Research Award**. Unfortunately, DePuy Spine will not be able to fund the request at this time. However, this request will be kept in mind should more funding become available to us in the future.

On behalf of Marjorie Eskay-Auerbach MD, JD, thank you in advance for your understanding in this matter.

Jennifer Nunes
Surgeon Contracts
Medical Affairs
● DePuy Spine
A Johnson & Johnson Company
325 Paramount Drive
Raynham, MA 02767
Phone: 508-828-3326
Fax: 508-880-8302
jnunes1@dpyus.jnj.com

Hi Chris. I did try to reach you on Friday but my cell phone would not cooperate. First, let me apologize for any misunderstandings - the decision to fund the 2006 Larson Award was made very recently, when new and unanticipated funding for educational grants became available. I spoke directly with Dr. Heary who had made some calls, and I sent an email specifically to keep you informed, but apparently it did not make it to you. Regardless, the status of things as we move forward is as follows (and Dr. Heary is aware of this as well)- the Larson Award has been processed for payment for 2005 and we are able to commit to 2006, now, as well. I need to look into the possibility of a multiple year commitment from an HCC perspective, and will have the answer for you in a week or two. With respect to the Crockard fellowship, it is my understanding that there was no award in 2005(?) Please correct me if I misunderstood. We are able to commit to 2006 for this award, but again, I am unable to answer the question about a multi-level commitment at this time.

I know that you have been in correspondence with Jenn Nunes, who is responsible for the processes associated with funding these grants. I appreciate your patience in this matter, and will get back to you re: the multi-year commitment as soon as I have the appropriate information. I apologize for any misunderstandings that occurred.

Best wishes,
Marjorie

Marjorie Eskay-Auerbach, MD, JD

Director, Medical Affairs

● **DePuy Spine**

A Johnson & Johnson Company

325 Paramount Drive

Raynham, MA 02767 USA

Tel: +1.508.880.8164

Fax: +1.508.828.3749

email: meskayau@dpyus.jnj.com

Charitable Contribution Agreement

This **Charitable Contribution Agreement** (“Agreement”), effective as of January 1, 2005 (the “Effective Date”), is by and between **Medtronic Sofamor Danek USA, Inc.** (“MSD”) and The American Association of Neurological Surgeons (AANS) and The Congress of Neurological Surgeons (CNS), sponsors of the AANS/CNS Section on Disorders of The Spine (“Recipient”) (MSD and Recipient may be referred to individually as a “Party” and collective as the “Parties”).

Recitals

The following recitals are considered part of this Agreement:

1. MSD, a medical device company, operates a charitable giving program in order to promote education and scientific research, benefit society and demonstrate good corporate citizenship.
2. Recipient represents and warrants it is a joint venture of the AANS and CNS, both of which are charitable organizations created or organized in the United States or in any United States possession and are recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the “Code”).
3. Recipient represents and warrants it is not excluded by the Office of Inspector General for the U.S. Department of Health and Human Services from participation in Medicare, Medicaid, or any other federal health care programs as defined in 42 U.S.C. Section 1320a-7b(f).
4. Recipient represents and warrants it is not barred or suspended by the U.S. General Services Administration from federal government procurement and non-procurement programs.
5. Recipient represents and warrants it is not designated as a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Treasury Department and is not included on the U.S. State Department’s Terrorist Exclusions List.
6. Recipient requested a charitable contribution from MSD for The Sonntag International Fellowship, advanced education and research in disorders of the spine or peripheral nerves. (“Contribution Purpose”).
7. MSD desires to provide funds to the Recipient to support the Contribution Purpose.

Article 1

MSD's Obligations

Section 1.1 MSD's Charitable Contribution to Recipient. MSD will make a charitable contribution to Recipient for the Contribution Purpose in the amount of \$5,000 per year for the next six years ("Contribution"). MSD's obligations under this Agreement are limited to the Contribution described in this Section. MSD is not obligated to provide any additional funds or other contribution.

Section 1.2 Payment Methods. Any money paid to Recipient under this Agreement is paid by wire transfer to an account Recipient designates or by check. MSD retains the right to choose the method of payment and, if the Contribution is made by installments, to change its method of payment for any installment.

Article 2

Recipient's Obligations

Section 2.1 Contribution Use Restrictions. Recipient will use the Contribution solely for the Contribution Purpose. Recipient will not use any portion of the Contribution or any income derived from the Contribution to:

- (a) Carry on propaganda or to otherwise attempt to influence legislation.
- (b) Influence the outcome of any specific public election.
- (c) Undertake any activity for any purpose other than charitable, scientific, or educational purposes

Except as otherwise provided in this Agreement, no part of the Contribution may be paid, granted or distributed to any other organization or person, other than to pay reasonable compensation for items and services provided to Recipient.

Section 2.2 Return of Unused or Improperly Used Contribution. Recipient will promptly notify MSD if any part of the Contribution is not used for the Contribution Purpose, including any part of the Contribution used for some purpose other than the Contribution Purpose.

Section 2.3 Contribution Records. Recipient will maintain records of receipts and expenditures related to the contribution and the Contribution Purpose and as required by any applicable laws. Recipient's records required under this section must be adequate to determine whether the Recipient used the Contribution in compliance with this Agreement.

All such records are available to MSD at such times that MSD may request in its reasonable discretion during the Term of this Agreement and for four (4) years after this Agreement is terminated or expires.

This Section survives the expiration or early termination of this Agreement.

Section 2.4 Compliance. Recipient will comply with all applicable statutes, regulations and accreditation standards relating to Recipient's acceptance and use of the Contribution. Recipient and MSD acknowledge and agree that:

- (a) The Contribution is not intended, directly or indirectly to compensate Recipient for purchasing, ordering, using or recommending MSD's products or services.
- (b) Recipient is not implicitly or explicitly required to purchase, use, order or recommend MSD's products or services as a condition of this Agreement.

If at any time during the Term of this Agreement, Recipient's receipt of any amount under this Agreement violates any statute, regulation, or accreditation standard or a related government agency, accrediting organization, or judicial interpretation, then MSD has no obligation to provide a Contribution any higher than what is permitted, if any, under such statute, regulation, standard, or related interpretation.

Section 2.5 Reports to MSD. Recipient will provide MSD with an annual written report summarizing Recipients use of the Contribution. Notwithstanding anything to the contrary in this Agreement, MSD is not obligated to make any payment under Article I until and unless MSD receives any required reports that have sufficient detail for MSD to verify the use of prior Contributions in accordance with this Agreement.

Article 3 Miscellaneous

Section 3.1 Term. This Agreement commences on the Effective Date and expires on December 31, 2010. MSD may terminate this Agreement upon 10 days prior written notice in the event of Recipient's material breach of any representation, warranty, or other provision of this Agreement.

Section 3.2 Entire Agreement, Incorporation by Reference, and Amendment. This Agreement, including any attachments or exhibits, is the entire agreement between MSD and Recipient regarding the Contribution. This Agreement supersedes all prior or contemporaneous discussions, representations, correspondence, and agreements, oral or written, between the Parties. Any amendments or modifications to this Agreement must be in writing and signed by both Parties.

Section 3.3 Governing Law. This Agreement, and the rights and obligations of the Parties, will be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of Tennessee.

Section 3.4 Counterparts; Facsimile Signatures; and Electronic Agreement. This Agreement may be executed in multiple counterparts, all of which are deemed an original, but all of which together constitute one and the same instrument. Copies of signatures sent by facsimile transmission are deemed originals for purposes of execution and proof of this Agreement. The Parties may accept the terms of this Agreement by electronic transmission, including email in which the terms of this Agreement are included and the Parties state their acceptance of this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the Effective Date.

Medtronic Sofamor Danek USA, Inc.
1800 Pyramid Place
Memphis, TN 38132

American Association of Neurological Surgeons

By: _____

Todd N. Sheldon

VP and Senior Legal Counsel

Date: _____

By: _____

Print Name: _____

Print Title: _____

Date: _____

Congress of Neurological Surgeons

By: _____

Print Name: _____

Print Title: _____

Date: _____

On Behalf of the AANS/CNS
Section on Disorders of the Spine
7550 Eagle Way
Chicago, Illinois 60678

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5. Recipient represents and warrants it is not designated as a Specially Designated National or Blocked Person by the Office of Foreign Asset Control of the U.S. Treasury Department and is not included on the U.S. State Department’s Terrorist Exclusions List.
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Article 3 Miscellaneous

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IN WITNESS WHEREOF, the undersigned have executed this Agreement on the Effective Date.

Medtronic Sofamor Danek USA, Inc.
1800 Pyramid Place
Memphis, TN 38132

American Association of Neurological Surgeons

By: _____

Todd N. Sheldon

VP and Senior Legal Counsel

Date: _____

By: _____

Print Name: _____

Print Title: _____

Date: _____

Congress of Neurological Surgeons

By: _____

Print Name: _____

Print Title: _____

Date: _____

On Behalf of the AANS/CNS
Section on Disorders of the Spine
7550 Eagle Way
Chicago, Illinois 60678

RE: 2005 & 2006 Sanford Larson Research Award
From: Nunes, Jennifer [DPYUS]
[JNunes1@DPYUS.JNJ.COM]

Sent: Wednesday, March 01, 2006 10:56 AM

To: Wolfla, Christopher

Subject: RE: 2005 & 2006 Sanford Larson Research Award

Dr. Wolfla,

I just wanted to keep you updated that I haven't forgotten about you. I will have the 2005 agreement ready to send you via email today, but the 2006-2009 multi-year commitment needs to have special language because it is a multi year. The legal department is working on that one. My plan was to send them both together your way.

Thanks,
Jennifer

Jennifer Nunes
Medical Affairs
*DePuy Spine
A Johnson & Johnson Company
325 Paramount Drive
Raynham, MA 02767
Phone: 508-828-3326
Fax: 508-880-8302
jnunes1@dpyus.jnj.com

-----Original Message-----

From: Wolfla, Christopher [mailto:CWolfla@mcw.edu]

Sent: Friday, February 24, 2006 8:50 AM

To: Nunes, Jennifer [DPYUS]

Subject: RE: 2005 & 2006 Sanford Larson Research Award

Dear Jennifer:

This is great news. Thank you for keeping me informed on this.

Do you know thw status of the revised 2005 Larson Agreement? Has it cleared legal at Depuy?

Thanks again

Sincerely

Chris Wolfla

From: Nunes, Jennifer [DPYUS] [mailto:JNunes1@DPYUS.JNJ.COM]
Sent: Thu 2/23/2006 12:19 PM
To: Wolfla, Christopher
Cc: Eskay-Auerbach MD, JD, Marjorie [DPYUS]; Lampkin, Stephen [DPYUS]
Subject: 2005 & 2006 Sanford Larson Research Award

Hello Dr. Wolfla,

I just wanted to give you a heads up that the following letter has been sent to Dr. Heary regarding the Sanford Larson Research Awards.

<<2005 and 2006 Sanford Larson HEARY 022106.doc>>

Thank you,
Jennifer

Jennifer Nunes
Surgeon Contracts
*DePuy Spine
A Johnson & Johnson Company
325 Paramount Drive
Raynham, MA 02767
Phone: 508-828-3326
Fax: 508-880-8302
jnunes1@dpyus.jnj.com



SYNTHES Spine
1302 Wrights Lane East
West Chester, Pennsylvania 19380
Telephone 610-719-5000

September 8, 2005

Christopher E. Wolfla, MD
Co-Chair, Fellowships and Awards Committee
AANS/CNS Joint Section on Disorders of the
Spine and Peripheral Nerves
5550 Meadowbrook Drive
Rolling Meadows, IL 60008-3852

RE: Cahill Memorial Fellowship

Dear Dr. Wolfla,

Thank you for your recent letter regarding the Cahill Fellowship Award. Synthes Spine is pleased to confirm that it is our intent to continue this support on a permanent basis.

I trust your offices in Chicago have received our 2005 sponsorship in the amount of \$30,000.00 which was sent to the attention of Ronald Engelbreight.

It is always a pleasure to support outstanding organizations such as the Joint Section in our shared commitment to the further advancement of neurosurgical education, research and patient care.

If you have any questions, please do not hesitate to contact me at (610) 719-5628.

Kind Regards,

A handwritten signature in cursive script, reading "Nancy H. Holmes".

Nancy H. Holmes, RN
Director, Spine Professional Relations

NHH:kc

cc: Jenifer Wolff



SYNTHES Spine
1302 Wrights Lane East
West Chester, Pennsylvania 19380
Telephone 610-719-5000

September 2, 2005

Ronald W. Engelbreit
Deputy Executive Director
AANS/CNS Section on Disorders of the Spine
7550 Eagle Way
Chicago, IL 60678-1075

RE: Invoice No 1-000066646

Dear Mr. Engelbreit,

Synthes Spine is pleased to provide sponsorship of the 2005 AANS/CNS David Cahill Fellowship by way of the enclosed check for \$30,000.00. I have also enclosed the invoice to accompany the payment to help expedite processing.

I apologize for the delay and appreciate your patience as it is always our pleasure to support organizations such as yours in our shared commitment to the further advancement of research, education and patient care.

Kind Regards,

A handwritten signature in cursive script that reads 'Nancy H. Holmes'.

Nancy H. Holmes, RN
Director, Spine Professional Relations

NHH:kc

Enclosure

AANS/CNS SECTION ON
DISORDERS OF THE SPINE
7550 EAGLE WAY
CHICAGO IL 60678-1075

SYNTHES SPINE CO., LP

10530099

AANS/CNS SECTION ON DISORDERS

08/23/05

BOX 0548 PAOLI, PA 19301-1222

INVOICE NUMBER	INVOICE DATE	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
FUND	081205	2004/2005	30,000.00		30,000.00
CHECK NO.	49762	TOTALS	30,000.00		30,000.00

^ RETAIN TOP PORTION FOR YOUR RECORDS ^

WARNING: THIS CHECK IS PROTECTED BY SECURITY FEATURES. DETAILS ON BACK.

SYNTHES SPINE CO., LP

1690 RUSSELL RD. POST OFFICE BOX 0548
PAOLI, PA 19301-1222

Telephone: (610) 647-9700

CHECK NO. 0049762

Wachovia National Bank

DATE 08/23/05

AMOUNT

*****\$30,000.00

PAY ONLY **THIRTY THOUSAND DOLLARS AND 00 CENTS**

PAY ☒ THIRTY THOUSAND DOLLARS AND 00 CENTS *****

TO THE
ORDER
OF

AANS/CNS SECTION ON
DISORDERS OF THE SPINE
7550 EAGLE WAY
CHICAGO IL 60678-1075

Dominic A. Rossi
[Signature]
AUTHORIZED SIGNATURE

000497620 031000503 2000033196620

JUL 29 2005

CORPORATE A/P

INVOICE

ANS/CNS Section on Disorders of the Spine
550 Eagle Way
Chicago IL 60678-1075
(347) 378-0500

Page 1 of 1

Attn: Nancy Holmes, RN
Synthes Spine
1380 Enterprise Dr.
West Chester PA 19380-0000

P.O. NO.

I.D. NO.	411910
INV. NO.	1-000066646
DATE	7/22/2005

QUANTITY	DESCRIPTION	UNIT COST	AMOUNT
1	2004/2005 David Cahill Fellowship	30,000.00	\$30,000.00
Invoice Total:			\$30,000.00
Less Amount Paid:			(\$0.00)
TOTAL			\$30,000.00

TEAR HERE

Attn: Nancy Holmes, RN
Synthes Spine
1380 Enterprise Dr.
West Chester PA 19380-0000

VISA / MC / AmEx

MERCHANT NO. 295023809888

CARD NO.

EXPIRATION DATE

MONTH

YEAR

SIGNATURE

PLEASE REMIT IN U.S. FUNDS TO:

ANS/CNS Section on Disorders of the Spine
550 Eagle Way
Chicago IL 60678-1075

I.D. NO.	411910
INV. NO.	1-000066646
AMOUNT	\$30,000.00

Due By: 8/21/2005

Holmes, Nancy

From: Holmes, Nancy
Sent: Friday, August 12, 2005 12:36 PM
To: 'Jenifer R. Wolff'
Cc: Rene L. Finco; Ronald W. Engelbreit; Vanessa Garlisch; Holmes, Nancy
Subject: RE: Verified invoice dates

Thanks, Jenifer, for clarifying this.

It think it would be helpful for everyone if future invoices could be sent on a schedule that would coincide with the meeting it is for. That way Joint Section can have the money before the award is given and not after.

Thanks again for the detective work!

Best regards,

Nancy

Nancy H. Holmes, RN
Director, Spine Professional Relations
Synthes Spine
1302 Wrights Lane East
West Chester, PA 19380
Ph: 610-719-5628
Fax: 610-719-5100
holmes.nancy@synthes.com

-----Original Message-----

From: Jenifer R. Wolff [mailto:jrw@aans.org]
Sent: Friday, August 12, 2005 12:25 PM
To: Holmes, Nancy
Cc: Rene L. Finco; Ronald W. Engelbreit; Vanessa Garlisch
Subject: Verified invoice dates

Hi, Nancy -

I checked again with accounting: invoices for the 2004/2005 time period (July 1 - June 30) are for activities that take place with the 2005 meeting. That includes the invoice you received dated 7/22/05 for the Cahill Award - it was for the 2005 meeting.

The check you were looking at for \$30,000, dated 3/12/04 was payment for the Cahill Award at the 2004 meeting (2003/2004 fiscal year).

As discussed, we are requesting written confirmation from the Spine Section to be directed to your attention indicating their appreciation of your commitment to sponsor the Cahill Award permanently / annually, since the first award given in 2004.

Let me know if you have any further questions. I want to make sure you feel comfortable with this.

09/07/2005

Take care -
Jen

Jenifer Wolff, Meetings & Exhibits Specialist
AANS
5550 Meadowbrook Dr
Rolling Meadows, IL 60008
PH: 847-378-0552-Direct
Fax: 847-378-0652
jrw@aans.org

AANS/CNS Joint Section on Disorders of the Spine and Peripheral Nerves

2006 Awards and Fellowships Winners:

Award	Award Winner	Vendor	Title
Larson Award	Neil Duggal, MD	Depuy Spine	Reorganization of the Brain Functions in Patients with Spinal Cord Compression: A Pre and Post-Surgical Evaluation Using Functional MRI
Kline Award	Marcelo Magaldi Ribeiro de Oliveira MD	Integra	The Capability of Skin Derived Stem Cells to Promote Nerve Regeneration, Through Schwann Cell Differentiation
Apfelbaum Award	Daniel Sciubba MD	Aesculap	Local Delivery of Small Inhibitory RNA (siRNA) and Radiation Therapy to Treat Metastatic Spine Tumors
Cloward Fellowship	Ziv Williams MD	Medtronic	Treatment of Malignant Peripheral Nerve Sheath Tumors in Patients with NF1 (with Robert Spinner at Mayo Clinic)
Cahill Fellowship		Synthes	Not Awarded
Sonntag Fellowship	Ashok Gupta MD	Medtronic	Spinal Fellowship at UPMC with William Welch MD
Crockard Fellowship		Depuy Spine	Not Awarded
Mayfield Award (Basic)	Toshitaka Seki	Spine Section	Development of an Animal Model of Post-Traumatic Syringomyelia Associated with Adhesive Arachnoiditis: Implications for an Enhanced Understanding of the Pathobiology and for the Development of Novel Therapeutic Approaches
Mayfield Award (Clinical)	Benson P. Yang	Spine Section	Clinical and Radiographic Outcomes of Thoracic and Lumbar Pedicle Subtraction Osteotomy for Fixed Sagittal Imbalance

Status of Payments for 2005 Awards

Award	Amount	Vendor	Notes
Larson	30k	Depuy Spine	Not paid as of 1/9/06. Contract being reviewed by Depuy Spine
Kline	15k	Integra	Paid 2005
Apfelbaum	15k	Aesculap	Funds received in late 2005
Cloward	30k	Medtronic	Not paid as of 1/9/06. Payment tied to approval of ongoing agreement.
Cahill	30k	Synthes	Funds received in late 2005
Sonntag	5k	Medtronic	Paid 2005
Crockard	5k	Depuy Spine	Not awarded in 2005

Notes

Vendor	Award(s)	Notes
Depuy Spine	Larson & Crockard	<p>9/26/05 - Jennifer Nunes at DePuy Spine. She is asking for documentation as well and is hoping to speak with the doctor involved in the sponsorship process. She can be reached at 508-828-3326</p> <p>1/4/06 – Discussed with Brad Moore VP Marketing (508 828 3734), who is investigating situation.</p> <p>1/9/06 – Brad Moore unavailable. Jennifer Nunes unavailable. Left message with Ms. Nunes, Brad Moore, and Rich Tosseli.</p> <p>1/9/06 - Spoke with Margie Eskay-Auerbach MD JD who is the new director of medical affairs for Depuy Spine. She is an orthopaedic spine surgeon. She states that fellowship support is now reviewed by a committee at Depuy spine and would like a proposal for ongoing support of the Larson and Crockard. Committee meets at the end of January. She is going to work on getting the 2005 Larson Award invoice paid since Ed Crowe committed to this. Requested a copy of invoice which was</p>

		<p>faxed (with confirmation). Contact info: Marjorie Eskay-Auerbach MD JD Phone: 508 880 8164 Fax: 508 880 8302</p> <p>1/11/06 – Emailed description of fellowships and problem to Brad Moore who is working on resolving the problem.</p> <p>1/16/06 – Spoke with Brad Moore who said that the proposal for a multi-year commitment will be discussed in a meeting at Depuy on 1/23/06</p> <p>1/25/06 – Received notice from Jennifer Nunes that Depuy Spine will not be able to fund these awards.</p> <p>2/13/06 – Received faxed contact for 2005 Larson funds. Left message for Ms. Nunes that I would need an electronic version for review and revision by AANS and CNS counsel.</p> <p>2/14/06 – Contract forwarded to AANS and CNS counsel</p> <p>2/16/06 – Revised contract sent back to Depuy</p> <p>2/16/06 – Spoke with Dave Salb, distributor for Depuy Spine in IL (INNOTEK). He states that 2006 agreement will be done and he will work on multiyear agreement.</p> <p>2/19/06 – Received confirmation from Marjorie Eskay-Auerbach that Depuy will sponsor 2006 Larson Award</p>
Aesculap	Apfelbaum	<p>9/27/05 - Sent letter to Oliver Burckhardt Mr. Oliver Burckhardt can be reached at 610-984-9258</p> <p>Responded that a check was to be sent 10/17/05</p> <p>1/6/06 – Followup email sent to Oliver Burckhardt</p>

		<p>1/9/06 – Mr. Burckhardt believes that 2005 invoice was paid. He is willing to commit to long term funding and requested suggested language (done).</p> <p>1/9/06 – Mr. Engelbreit reports that Apfelbaum was paid for 2005, later in year.</p> <p>1/18/06 – Unable to contact Mr. Burckhardt</p> <p>1/23/06 – Resent email of 1/9/06 to Mr. Burckhardt, at his request (receipt confirmed).</p> <p>2/6/06 – Is going to try to get me something by 1 March</p>
Medtronic	Cloward & Sonntag	<p>1/4/06 – Send email to Jeff Veenhuis, cc to Hank Pellegrin</p> <p>1/6/06 – Spoke to Marilyn Moore (901 399 2672) in corporate compliance who said that all fellowship applications would be reviewed on an annual basis with review of individual applications for approval. Dr. O'Toole's packet from last year has been sitting on a desk in corporate compliance since September. Hank Pellegrin OOT. Left message with Brad Coates.</p> <p>1/6/06 - Spoke with Machelles Shields who now believes that 2005 can be taken care of, with a 5 year commitment going forward.</p> <p>1/9/06 – Agreements received for continued funding. Forwarded to AANS office, Greg Willard, and Russell Pelton for legal review.</p> <p>1/10/06 – Russell Pelton is working on revisions to the contract which should be done 1/16/06</p> <p>1/23/06 – Mr. Pelton still working on this 312.750.8652 (Direct Line) 312.920.6764 (Direct FAX)</p>

		<p>rpelton@mcguirewoods.com</p> <p>1/30/06 – Still have not received revised contract from Mr. Pelton. Unable to contact</p> <p>2/6/06 – Received approvals from Medtronic, AANS, and CNS. Contracts being circulated for signatures.</p> <p>2/27/06 – Contracts signed by AANS and CNS, sent back to Marilyn Moore for Medtronic signature</p>
Synthes	Cahill	<p>Steve Schwartz (?) made initial commitment Nancy Holmes, c/o Synthes Spine 1302 Wrights Lane East West Chester, PA 19380 holmes.nancy@synthes.com 610 719 5000 ext 5628 (Nancy Wagner - asst)(Kelly Connolly other asst)</p> <p>1/6/06 – Nancy Holmes out of town. Nancy Wagner (her assistant) is investigating</p> <p>1/9/06 – Records from Synthes present a strong argument that the 2005 award was paid. Synthes has already committed in writing to support of the Cahill Fellowship indefinitely. Spoke with: Kelly Connolly 1302 Wrights Lane East Westchester PA 19380 kelly.connolly@synthes.com</p> <p>1/9/06 – Mr. Engelbreit reports that Cahill was paid for 2005, later in year.</p>
Integra	Kline	Paid 2005

From: Wolfla, Christopher [CWolfla@mcw.edu]
Sent: Friday, March 03, 2006 8:42 AM
To: Resnick (Daniel)
Subject: FW: Depuy Spine Letter Agreement
Dan:

If there is still time, please include this in the agenda book as well under the Fellowships tab.

Thanks

Chris

From: Nunes, Jennifer [DPYUS] [mailto:JNunes1@DPYUS.JNJ.COM]
Sent: Friday, March 03, 2006 8:28 AM
To: Wolfla, Christopher
Cc: heary@umdnj.edu; cbranch@wfubmc.edu; Laurie Behncke (E-mail); Gerszten, Peter; Ronald W. Engelbreit; Eskay-Auerbach MD, JD, Marjorie [DPYUS]
Subject: RE: Depuy Spine Letter Agreement

Hello Dr. Wolfla,

I am working on the Letter of Agreement for the Crockard Fellowship Award as we speak. I'm including the same language as the Sanford Larson Research Award 2006-2009 Agreement. Before I can send it out to you, it needs to get signed on our end, and the person responsible for that is out until March 16th. Once he signs the document I will send it to you again, via email.

Please contact me if you have any concerns or questions.

Thank you,
Jennifer

-----Original Message-----

From: Wolfla, Christopher [mailto:CWolfla@mcw.edu]
Sent: Thursday, March 02, 2006 4:42 PM
To: Nunes, Jennifer [DPYUS]
Cc: heary@umdnj.edu; cbranch@wfubmc.edu; Laurie Behncke (E-mail); Gerszten, Peter; Ronald W. Engelbreit
Subject: RE: Depuy Spine Letter Agreement

Dear Jennifer:

Thank you for sending these documents. I will forward them to the appropriate individuals at the AANS and CNS.

Do you happen to know the status of the Crockard Fellowship (\$5000/year)? This was not mentioned in these documents.

Sincerely

Chris Wolfla MD

From: Nunes, Jennifer [DPYUS] [mailto:JNunes1@DPYUS.JNJ.COM]
Sent: Thursday, March 02, 2006 1:59 PM
To: Wolfla, Christopher
Cc: heary@umdnj.edu; cbranch@wfubmc.edu; Gerszten, Peter; Eskay-Auerbach MD, JD, Marjorie [DPYUS]
Subject: RE: Depuy Spine Letter Agreement

Hello Dr. Wolfla,

DePuy Spine is happy to provide financial support to the Sanford Larson Research Award.

Attached please find the 2005 Letter of Agreement, the 2006-2009 Letter of Agreement, and W9 form.

The Legal and Health Care Compliance department have accepted the revised language. However, due to the multi-year commitment, we have added some special language in the 2006-2009 letter of agreement in paragraph 1.

Please review and have the appropriate authorized person sign. Please return the signed copies and the W9 form to my attention. Once signed, we will process the payments associated with the agreements.

Please contact me if you have any questions or concerns.

Thank you,
Jennifer

Jennifer Nunes
Medical Affairs
*DePuy Spine
A Johnson & Johnson Company
325 Paramount Drive
Raynham, MA 02767
Phone: 508-828-3326
Fax: 508-880-8302
jnunes1@dpyus.jnj.com

-----Original Message-----

From: Wolfla, Christopher [mailto:CWolfla@mcw.edu]

Sent: Thursday, February 16, 2006 1:27 PM

To: Nunes, Jennifer [DPYUS]

Cc: heary@umdnj.edu; cbranch@wfubmc.edu; Gerszten, Peter

Subject: FW: Depuy Spine Letter Agreement

Dear Ms. Nunes:

Please find the attached revision of the agreement relating to the 2005 Spine Section Larson Award. This has been revised by CNS counsel and approved by AANS counsel.

Please let me know if this is acceptable so that signatures may be obtained.

Sincerely

Chris Wolfla MD

-----Original Message-----

From: Lawhorn, Christopher [<mailto:cjlawhorn@BryanCave.com>]

Sent: Thursday, February 16, 2006 10:58 AM

To: Wolfla, Christopher; rpelton@mcguirewoods.com

Subject: Depuy Spine Letter Agreement

Christopher J. Lawhorn

Bryan Cave LLP

One Metropolitan Square

211 North Broadway, Suite 3600

St. Louis, Missouri 63102

(314) 259-2000 (telephone)

(314) 259-2020 (facsimile)

cjlawhorn@bryancave.com

Attached is a revised draft of the Depuy Spine letter agreement, along

with a redlined version showing the changes from the original document.
Please let me know if you have any comments or suggestions. Thanks,
Chris

Christopher J. Lawhorn
Bryan Cave LLP
One Metropolitan Square
211 North Broadway, Suite 3600
St. Louis, Missouri 63102
(314) 259-2000 (telephone)
(314) 259-2020 (facsimile)
cjlawhorn@bryancave.com

The following files have been attached to this mail by DeltaView...

CJL:Wolfla Ltr. Re Disorders of Spine & Nerves.DOC (Microsoft Word)
Redline.rtf (Rich Text Format)
<<CJL:Wolfla Ltr. Re Disorders of Spine & Nerves.DOC>> <<Redline.rtf>>

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From: paul matz [matzpg@yahoo.com]
Sent: Friday, February 24, 2006 8:18 AM
To: Resnick (Daniel)
Subject: Re: Items for Spine Section Exec Meeting

Dan,

I will not be arriving until late Wed am; however, I would like to have a meeting of the guidelines group on Friday. The meeting would be to finalize topics and plan a retreat date.

The group members are to be as follows:

P Matz
P Mummaneni
M Groff
T Choudri
L Holley
M Kaiser
T Ryken
R Heary
B Watters (he agreed)

You also mentioned a Dr. Salvi, who was a PM&R physician; if I am able to schedule the retreats in Madison, I would like to have him aboard.

Matz

--- "Resnick (Daniel)" <resnick@neurosurg.wisc.edu>
wrote:

> Greetings Executans,
>
> Please send me any reports or other items for
> inclusion in the agenda
> book for the executive meeting Wednesday morning,
> March 15, 8 am,
> location TBA.
>
> Anything you can get to me by March 1st will be
> included, anything you
> get to me by March 8th MAY be included, anything
> after that, bring

> yourself.
>
> See you in Orlando!
> Dan
>
>

Paul G. Matz, MD
Associate Professor of Surgery (Neurosurgery)
University of Alabama, Birmingham
510 20th Street South
Birmingham, AL 35294
Phone: 205-975-8872; Fax: 205 975-8337
email: matzpg@yahoo.com

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Guidelines for the management of metastatic spine disease

Goal: to provide evidence based guidelines for the diagnosis and treatment of metastatic spine disease to assist in patient management and future research directions.

Outline

Classification and outcome measures for metastatic spine disease

- Tokashi score and Tomita scores

- Functional outcome score (ambulation, Frankel, KPS etc)

- Pain score (VAS etc), Quality of life measures

Pathological fracture risk and biphosphonate therapy

- Risk of fracture, biomechanics, Impact of biphosphonate therapy

Role of steroid in symptomatic metastatic spinal cord compression

- Evidence for what steroid, how long, and dosing

The role of spinal surgery in symptomatic metastatic spine disease: Posterior approach

- Decompressive laminectomy, Decompressive Laminectomy and stabilization

- Complications

The role of spinal surgery in symptomatic metastatic spinal cord compression: Anterior approaches

Role of spinal surgery and radiation for symptomatic metastatic spinal cord compression

- Meta-analysis, Patchell data etc.

Role of spinal surgery and radiation for without or asymptomatic metastatic spinal cord compression

The role of intraoperative radiation therapy

- Radioactive seeds, IORT

The role of radiosurgery and IMRT for metastatic spine disease

The role of vertebral cement augmentation (kyphoplasty/vertebroplasty) in metastatic spine disease

The role of implantable pain pumps for metastatic spine disease

- Morphine pumps vs medical management

Radiologic diagnosis for metastatic spine disease

- MRI, Myelogram etc

Role of pre operative embolization for spinal metastasis

From: Robert Heary [heary@umdnj.edu]
Sent: Monday, December 19, 2005 5:53 PM
To: Resnick (Daniel)
Subject: Fwd: Medicare Budget Update

dan:

hi, please include a copy of this for the next section exec comm meeting. thanks. bob

>>> "Katie O. Orrico" <korric@neurosurgery.org> 12/19/2005 1:38:44 PM

>>>

While we are currently doing a more in-depth review and summary of the Medicare budget bill that passed the House of Representatives early this morning, see below the key highlights:

1. The 4.4% payment cut has been prevented. Payment rates are frozen and in 2006 physicians will be reimbursed at 2005 reimbursement levels. (Of course, there have been a few changes to the Medicare Physician Fee Schedule so the exact payment rate, etc. is yet to be determined). The cost of this change is \$7.3 billion over 5 years; but a savings of \$.4 billion over a ten year period (because of the current SGR formula)
2. The Medicare Payment Advisory Commission (MedPAC) is charged with reporting to Congress by March 2007 on mechanisms to replace the SGR and how volume can be controlled within a new payment system.
3. There is NO PAY FOR PERFORMANCE in the bill for physicians. This represents a huge victory, as the Senate version of this bill required CMS to establish a "voluntary" value-based performance system that would have cut reimbursement by up to 2% for those doctors not participating. These cuts would have been on top of the cuts already anticipated as a result of the current SGR formula.
4. A number of policies related to imaging services were adopted to help pay for the physician payment update provision. First, rather than redistributing the savings from the newly adopted multiple imaging procedure discount into the practice expense pool of dollars currently in the fee schedule, Congress is taking these savings out of the physician payment system to pay for MD payment increase. Also, the payment rates for imaging services under the physician fee schedule will be no higher than those in place for hospital outpatient departments. The combination of these two policies produce \$2.9 billion in savings over a 5 year period; and \$8.1 billion in savings over a 10 year period. While the imaging policy will not likely have a huge direct affect on neurosurgeons (with the exception of those neurosurgeons who own and operate imaging equipment under the Stark II exceptions), it does set a bad policy precedent, in that physicians have had to rob Peter to pay Paul all from our own pool of dollars.
5. CMS is required to develop a strategic plan for specialty hospitals within 6 months and until this plan is developed no Medicare provider numbers may be issued to new specialty hospitals. In effect this extends the moratorium on

specialty hospitals until CMS completes its plan. However, it does not appear to prevent those specialty hospitals that are already up and running from expanding their institutions. If CMS does not meet the 6 month deadline, then the "moratorium" is extended for an additional 2 months.

More to come later....

Katie

Katie O. Orrico, Director

Washington Office

American Association of Neurological Surgeons/

Congress of Neurological Surgeons

725 15th Street, NW

Suite 800

Washington, DC 20005

Office: 202-628-2072

Fax: 202-628-5264

Cell: 703-362-4637

From: Gerald Rodts [Gerald.Rodts@emoryhealthcare.org]
Sent: Friday, February 24, 2006 11:37 AM
To: Resnick (Daniel)
Cc: heary@umdnj.edu; cbranch@wfubmc.edu
Subject: RE: Washington Committee

Dan:

Writing you from W.C. meeting in D.C. We need to add to agenda for Spine Exec. meeting three items for action/discussion. . 1. We need to discuss getting Section people actively involved in preparing low back pain guidelines and determining sensible outcome measurement tools for the AMA Physician Consortium for Performance Improvement. The W.C. would like to also work with the NASS committee already working on this. Essentially, these people would be under your guidance in your new position in this AMA Consortium. The general consensus here today is that we must be involved in order to make sure the tools used in the near future to assess our performance as surgeons are proper and make sense.

2. We need to conclude on a position regarding the recent FDA proposal to change the FDA status of lumbar interbody fusion cages from Class III to II. It just doesn't make sense the way they are excluding cages that would contain BMP instead of bone. Rick Fessler will clarify the issue.

3. We will need to review what will have been (by then) a flurry of activity just prior to the Section meeting in a few weeks regarding Total disc arthroplasty and the intent of CMS to NOT provide coverage for Medicare patients. Discussion/comment period will be over by March 15.

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> >>>
50K is planned, the stenosis project has just gotten up and running with funding from the Washington committee.

From: Gerald Rodts [mailto:Gerald.Rodts@emoryhealthcare.org]
Sent: Thu 2/16/2006 7:51 AM
To: Resnick (Daniel); Robert Heary
Subject: RE: Washington Committee in two weeks

Dan: What has been the Section's contribution to the QIW thus far, and what is the current status on the stenosis outcomes tool and project? Rusty

Gerald E. Rodts, Jr., M.D.
Professor of Neurosurgery and Orthopedic Surgery
Emory Spine Center
59 Executive Park South
Suite 3000
Atlanta, GA 30329
Tel. 404-778-6303
Fax 404-778-6310

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> 02/15/06 12:21 PM

>>>

Hi Rusty and Bob,

The only activities relevant to the Washington committee that I can think of would be the anticipated \$50,000 donation to the PAC to be voted on at the next spine exec meeting and contribution that the spine section has made to the QIW committee in developing the lumbar stenosis outcomes tool and participating in the outcomes project. We are also working closely with the Washington Committee (and soon NASS) on the development of responses to the P4P initiative. Dan

-----Original Message-----

From: Robert Heary [mailto:heary@umdnj.edu]
Sent: Wednesday, February 08, 2006 9:57 AM
To: Gerald.Rodts@emoryhealthcare.org; Resnick (Daniel)
Subject: Re: Washington Committee in two weeks

rusty:

hi, dan can forward to you the agenda items for the next exec comm meeting. you can use these to generate your report. if you have any questions, call or e-mail me. i assume that it is similar to the reports that we generate for the parent organizations. speaking of which, dan, has charlie contacted you regarding the upcoming AANS report? bob

>>> Gerald Rodts <Gerald.Rodts@emoryhealthcare.org> 2/8/2006 10:31:09 AM >>>

Dan, Bob: Can you forward to me any information that the Section has to report to the Washington Comm. at the upcoming meeting Feb. 24? I need to put together a report on any important issues or activities. Rusty

Gerald E. Rodts, Jr., M.D.
Professor of Neurosurgery and Orthopedic Surgery
Emory Spine Center
59 Executive Park South
Suite 3000
Atlanta, GA 30329
Tel. 404-778-6303

Fax 404-778-6310

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> 02/07/06 9:36 PM

>>>

Thanks!

From: Gerald Rodts [mailto:Gerald.Rodts@emoryhealthcare.org]

Sent: Tue 2/7/2006 4:43 PM

To: Resnick (Daniel)

Subject: Re: Chapters for Atlas

In progress...

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> 02/04/06 12:43 PM

>>>

Misters President,

Your submissions would afford Chris and me the ability to remove a large pile of stuff from our desks and put it on the desk of Ivy Ip at Thieme. She in return, would stop emailing us to remind us to email you to remind you to send your chapter to us. Placing the load on her desk would make us so very happy. Please help.

Dan

From: Charles Branch [cbranch@wfubmc.edu]
Sent: Sunday, February 26, 2006 7:37 PM
To: Robert Heary; Gerald.Rodts@emoryhealthcare.org; Resnick (Daniel)
Subject: RE: Washington Committee

Thanks for keeping me in the loop on this. It seems that an priority initiative for the coming year needs to be the development of algorithms or guidelines for spine care for industry as well. A group called the national guidelines consortium apparently provides guidelines for treatment to WC companies and other payors and needs our input on appropriate clinical algorithms for fusion or whatever. This should be in the mix as well.

Dan, can you forward an agenda based upon what you already have at this point so we can be certain that all of the good stuff is there. Any word on the Exec dinner on Tuesday evening? When, where etc.

CB

From: Robert Heary [mailto:heary@umdnj.edu]
Sent: Sun 2/26/2006 7:39 PM
To: Gerald.Rodts@emoryhealthcare.org; resnick@neurosurg.wisc.edu
Cc: Charles Branch
Subject: RE: Washington Committee

rusty:

hi, i agree that all of these things need to be addressed. as you are no doubt aware, we have been working actively on each of these issues, but i think having them brought up in the exec comm meeting is important. it is great that we have both yourself and rick present as our voices. thanks. bob

>>> Gerald Rodts <Gerald.Rodts@emoryhealthcare.org> 02/24/06 12:36 PM

>>>

Dan:

Writing you from W.C. meeting in D.C. We need to add to agenda for Spine Exec. meeting three items for action/discussion. . 1. We need to discuss getting Section people actively involved in preparing low back pain guidelines and determining sensible outcome measurement tools for the AMA Physician Consortium for Performance Improvement. The W.C. would like to also work with the NASS committee already working on this. Essentially, these people would be under your guidance in your new position in this AMA Consortium. The general consensus here today is that we must be involved in order to make sure the tools used in the near future to assess our performance as surgeons are proper and make sense.

2. We need to conclude on a position regarding the recent FDA proposal to change the FDA status of lumbar interbody fusion cages from Class III to II. It just doesn't make sense the way they are excluding cages that would contain BMP instead of bone. Rick Fessler will clarify the issue.

3. We will need to review what will have been (by then) a flurry of activity just prior to the Section meeting in a few weeks regarding Total disc arthroplasty and the intent of CMS to NOT provide coverage for Medicare patients. Discussion/comment period will be over by March 15.

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> >>>

50K is planned, the stenosis project has just gotten up and running with funding from the Washington committee.

From: Gerald Rodts [mailto:Gerald.Rodts@emoryhealthcare.org]

Sent: Thu 2/16/2006 7:51 AM

To: Resnick (Daniel); Robert Heary

Subject: RE: Washington Committee in two weeks

Dan: What has been the Section's contribution to the QIW thus far, and what is the current status on the stenosis outcomes tool and project? Rusty

Gerald E. Rodts, Jr., M.D.

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Fax 404-778-6310

>>> "Resnick (Daniel)" <resnick@neurosurg.wisc.edu> 02/15/06 12:21 PM

>>>

Hi Rusty and Bob,

The only activities relevant to the Washington committee that I can think of would be the anticipated \$50,000 donation to the PAC to be voted on at the next spine exec meeting and contribution that the spine section has made to the QIW committee in developing the lumbar stenosis outcomes tool and participating in the outcomes project. We are also

	<u>AGENDA ITEM</u>	<u>PAGES</u>
11.	Biomedical Research Update <i>Barbara Peck</i> <ul style="list-style-type: none"> ▪ NIH Appropriations for FY 06 and FY 07 ▪ NINDS Research Priorities ▪ Inspector General Compliance Guidance 	206-208
12.	Specialty Hospital Update <i>Stan Pelofsky and Barbara Peck</i> <ul style="list-style-type: none"> ▪ Budget Legislation Extends Moratorium ▪ Reports and Studies 	209-211
13.	Other Business <i>Troy Tippet</i>	
14.	Washington Committee Meetings for 2006 – Ritz Carlton, Pentagon City <ul style="list-style-type: none"> ▪ July 6 (dinner) – 7 (meeting) ▪ November 30 (dinner) – December 1 (meeting) 	



WASHINGTON COMMITTEE FOR NEUROSURGERY
Meeting Minutes
December 2, 2005



PRESENT: Committee Members

Troy Tippet
Nick Hopkins
Mark Linskey
Stan Pelofsky
Craig Van der Veer

Ex Officio

Richard Ellenbogen (CNS President)
Doug Kondziolka (CNS President-Elect)
Don Quest (AANS President-Elect)
Fremont Wirth (AANS President)

Liaisons

Ron Alterman (Stereotactic Section)
Gary Bloomgarden (ACS/AANS Public Policy Fellow & AANSPAC)
Fernando Diaz (Council of State Neurosurgical Societies)
Howard Eisenberg (Society of Neurological Surgeons)
Robert Harbaugh (Chair, Quality Improvement Workgroup)
Richard Osenbach (Pain Section)
Andrew Parent (Pediatric Section)
Greg Przybylski (CRC Committee)
Brian Subach (Young Physicians)
Phil Tally (AMA)
Greg Thompson (CV Section)
John Popp (NPHCA)
Rusty Rodts (Spine Section)
Alex Valadka (Trauma Section)

Guests

David Adelson (QIW Guidelines Work Group)

Staff

Laurie Behncke
Catherine Hill
Tom Marshall
Katie Orrico
Barbara Peck

ABSENT:

Richard Fessler (Committee Member)
John Kusske (Health Policy)
Alex Mason (CNS Public Policy Fellow)
Teresa Sauthier (NERVES)
Andrew Sloan (Tumor Section)
Vince Traynelis (Coding and Reimbursement)

Dr. Tippet called the meeting to order at 7:15 a.m.

Moment of Silence. Dr. Tippet called for a moment of silence in honor of Lyal Leibrock, MD, who made immeasurable contributions to the Washington Committee and organized neurosurgery.

Approval of Minutes. It was **MOVED** and **SECONDED** to approve the minutes from the July 22, 2005 meeting. **MOTION CARRIED.**

Section News. Dr. Tippet asked each of the Section liaisons if they had any issues or news for the Washington Committee. Dr. Parent stated the Pediatric Section was concerned about the FDA regulation of molding bands and helmets. Dr. Valadka stated the trauma section was troubled by both the level of NIH appropriations and the emergency neurosurgical workforce. Dr. Alterman stated the stereotactic section was still working on issues related to radiosurgery. Dr. Thompson stated the cerebrovascular section was concerned about reimbursement and training for endovascular procedures. Drs. Osenbach and Subach stated their respective sections had no issues outside of the agenda.

Follow-Up from the July 22 Washington Committee Meeting. Dr. Tippet informed the committee that the following action items from the July WC meeting had been completed:

Coding and Reimbursement

Stereotactic Radiosurgery. It was noted that Dr. Cozzens prepared an article of the CPT Assistant publication outlining the appropriate coding for 61793 for multiple lesions. The committee also reviewed a new code proposal submitted by ASTRO regarding Stereotactic Body Radiation Therapy. It was **MOVED** and **SECONDED** to instruct our CPT representatives to oppose this proposal as currently drafted and to urge the CPT Editorial Panel to delay consideration of these codes until the spring meeting. **MOTION CARRIED.**

Evaluation and Management (E&M) Codes. Dr. Przybylski briefed the committee on the status of the 5-year review of the E&M codes, noting that the AANS and CNS, and several other surgical specialties, are continuing to oppose any increases in the work RVUs for these codes. It was **MOVED** and **SECONDED** that the AANS and CNS will continue to oppose increases in E&M codes, but should the RUC agree to increase the work values, we will insist that the global surgical values be likewise increased. **MOTION CARRIED**

Stents. Dr. Thompson stated there are currently two registries for stents – one managed by the American College of Cardiology and one by the Society of Vascular Surgeons. Currently the ACC one is more complex and thorough. Dr. Thompson stated it would behoove neurosurgery to official endorse or support one of the two registries or develop its own or another. The goal is to give neurosurgery a stake in the management and structure of the data. Dr. Hopkins stated stroke care is the future and neurosurgery needs to partner with cardiology. It was **MOVED** and **SECONDED** to ask the cerebrovascular section to develop an action plan for this problem. **MOTION CARRIED.** Dr. Pelofsky stated that some cardiologists are venturing further and further into the brain and there needs to be a clear statement on what is appropriate for a cardiologist to do and what is appropriate for a neurosurgeon to do. It was **MOVED** and **SECONDED** to request that the parent organizations

develop a policy statement specifying what a neurosurgeon is trained to do, what a neurosurgeon should exclusively do and that can be used by neurosurgeons during the credentialing process. **MOTION CARRIED.**

Artificial Disc. Dr. Tippettt stated CMS asked for comments on coverage of artificial disc. Neurosurgery stated the decision should be delayed because there has not been sufficient data related to the Medicare population yet.

MedPAC. Ms. Orrico gave an overview of the Medicare Payment Advisory Commission. Ms. Hill reviewed the November 15-17 meeting and stated the commission has serious concerns about the RUC process. Ms. Hill stated MedPAC's main complaint seems to be that the RUC favors specialty care over primary care.

Dr. Tippettt stated the American College of Surgeons was working to place a surgeon on MedPAC. It was **MOVED** and **SECONDED** to support the ACS' nomination of a surgeon to MedPAC. **MOTION CARRIED.** Dr. Tippettt reviewed a letter from ACS to MedPAC dated November 9th. It was **MOVED** and **SECONDED** to ask ACS to send a follow-up letter. **MOTION CARRIED.**

Medicare Physician Payment and Pay-for-Performance. Dr. Tippettt stated that if Congress does not take action before the end of December, Medicare physician reimbursement will be cut by 4.4 percent on January 1, 2006. It was **MOVED** and **SECONDED** to send a letter to Congress urging them to take action to prevent the cuts, to support the AMA principles on pay-for-performance, to reiterate that the SGR and P4P are incompatible and to suggest the money needed to stop the cuts come from reducing the positive update of other Medicare providers, including hospitals. **MOTION CARRIED.**

Ms. Orrico stated the surgical community has started the Surgical Quality Alliance. The SQA will hopefully be the surgical equivalent of the Ambulatory Quality Alliance.

Practice Expense. Dr. Tippettt stated that seven organizations had submitted supplemental practice expense data. Six of the organizations demonstrated an increase in practice expense. Any money used to fund these increases would have to come from cuts to other specialties, including neurosurgeons. Dr. Tippettt praised Ms. Orrico for her hard work in persuading CMS to delay implementation of any changes. Dr. Tippettt stated the AMA is no longer providing practice expense data and the data from individual groups is likely biased. It was **MOVED** and **SECONDED** to ask the AMA to start collecting practice expense data again in an effort to provide more credible and neutral information. **MOTION CARRIED.** It was **MOVED** and **SECONDED** to ask NERVES to begin to collect neurosurgical practice expense data. **MOTION CARRIED.**

Quality Improvement Workgroup.

Physician Voluntary Reporting Program. Dr. Tippettt stated CMS has announced a new pay-for-performance project that will go into effect on January 1, 2006. The voluntary program uses G-codes to collect data and focuses on administration of antibiotics and DVT in the surgical areas. Dr. Tippettt recommended that the AANS and CNS tell neurosurgeons not to participate in the project after the budget reconciliation/payment cuts issue is worked out

because the program does not include additional money for participating and does not truly measure quality. Dr. Thompson stated that many academic neurosurgeons will be required to participate by their institutions. Dr. Linskey stated that neurosurgeons can only order antibiotics and have no control over whether and when they are actually administered. It was **MOVED** and **SECONDED** to inform AANS and CNS members about the shortcomings of the PVRP program once Congress passes legislation preventing the 4.4% payment cut.

Practice Guidelines. Dr. Tippet stated Dr. Adelson has been asked to chair the Practice Guidelines Subgroup of the Quality Improvement Work Group. It was **MOVED** and **SECONDED** that the Practice Guidelines Subgroup 1) move forward with the development of practice guidelines by coming up with a specific plan that includes costs and a process; 2) officially respond to the CSNS and the issues brought forward in October, including what can be done to minimize the legal issues; and 3) select a topic for a pilot project. **MOTION CARRIED.**

Neurosurgeons to Preserve Health Care Access. Dr. Popp reviewed the Doctors for Medical Liability Reform campaign for 2005 and 2006. Dr. Tippet stated that medical liability reform is still neurosurgery's top priority. Dr. Tippet urged all Washington Committee members to make contributions to the new AANSPAC. The PAC will play a critical role in the fight for medical liability reform in 2006 and it is essential it is adequately funded.

Emergency Services.

EMTALA Technical Advisory Group (TAG). Ms. Orrico gave a brief update on the recent activities of the EMTALA TAG. Dr. Tippet praised Dr. Kusske's work on the EMTALA TAG.

Development of an Acute Surgery Specialty. Dr. Tippet stated the AANS BOD voted in November to send Dr. Valadka to a meeting of the American Association for the Surgery of Trauma to voice organized neurosurgery's opposition of the inclusion of any neurosurgical procedures in the development of a training curriculum for an acute surgeon specialty. Dr. Valadka stated the initial proposed curriculum does include several neurosurgical procedures. Dr. Wirth suggested we phrase our argument in terms of patient safety. He also stated that neurosurgery does need to respond to the problem of ER coverage. Dr. Ellenbogen stated he believes regionalization is the answer and that a national trauma system must also be developed. Dr. Wirth noted that many neurosurgical emergencies do not involve trauma. It was **MOVED** and **SECONDED** to send a letter to ACS expressing neurosurgery's concerns and requesting an in-person meeting. **MOTION CARRIED.** It was **MOVED** and **SECONDED** to write an article for the AANS Bulletin and Neurosurgery News to ensure neurosurgeons are aware of these issues and do not inadvertently participate in training programs. **MOTION CARRIED.**

FDA Issues – Dr. Diaz stated the FDA committee is still working hard to educate the FDA on neurosurgical issues. He stated he still is looking for neurosurgeons to serve on both the AANS/CNS FDA Committee and an FDA Committee.

Dr. Tippet adjourned the meeting at 1:30 pm.

**Washington Committee Meeting
December 2, 2005 Action Item Follow-up**

TOPIC	ACTION ITEM	OVERSIGHT/ RESPONSIBILITY	COMPLETED	COMMENTS
Coding and Reimbursement	<ul style="list-style-type: none"> Instruct our CPT representatives to oppose this proposal as currently drafted and to urge the CPT Editorial Panel to delay consideration of these codes until the spring meeting 	Troy Tippet, MD Jeffrey Cozzens, MD Patrick Jacob, MD Samuel Hassenbusch, MD Cathy Hill	2/06	See Agenda
	<ul style="list-style-type: none"> AANS and CNS will continue to oppose increases in E&M codes, but should the RUC agree to increase the work values, we will insist that the global surgical values be likewise increased. 	Troy Tippet, MD Greg Przybylski, MD Cathy Hill	2/06	See Agenda
	<ul style="list-style-type: none"> AANS/CNS CV Section should develop an action plan to determine in which carotid stent data registry it should participate (vascular surgeons, cardiologists or some other). 	Robert Rosenwasser, MD		See Agenda
	<ul style="list-style-type: none"> Since cardiologists are venturing further into the brain, the AANS and CNS should develop a policy statement specifying what is appropriate for a cardiologist to do and what is appropriate for a neurosurgeon to do and such statement can be used by neurosurgeons during the credentialing process. 	Phil Wirth, MD Richard Ellenbogen, MD		
	<ul style="list-style-type: none"> AANS and CNS should endorse the ACS nominee for the Medicare Payment Advisory Commission. 	Troy Tippet, MD Katie Orrico	1/06	
	<ul style="list-style-type: none"> Request that ACS send a follow-up letter to MedPAC regarding role of the RUC. 	Greg Przybylski, MD Katie Orrico	12/06	Rather than sending a letter, the ACS held a conference call with MedPAC staff. Dr. Przybylski joined the call. MedPAC will issue a report in March that is less critical of the RUC process.
Medicare Physician Payment and P4P	<ul style="list-style-type: none"> AANS and CNS should send a letter to Congress urging them to take action to prevent the cuts, to support the AMA principles on pay-for-performance, to reiterate that the SGR and P4P are incompatible and to suggest the money needed to stop the cuts come from reducing the positive update of other Medicare providers, including hospitals. 	Troy Tippet, MD Katie Orrico	12/06	
	<ul style="list-style-type: none"> Request that AMA conduct multi-specialty practice expense survey. 	Troy Tippet, MD Katie Orrico		See Agenda
	<ul style="list-style-type: none"> Request that NERVES collect practice expense data 	Katie Orrico		

**Washington Committee Meeting
December 2, 2005 Action Item Follow-up**

TOPIC	ACTION ITEM	OVERSIGHT/ RESPONSIBILITY	COMPLETED	COMMENTS
Quality Improvement Workgroup	<ul style="list-style-type: none"> AANS and CNS should inform members about the shortcomings of the PVRP (G-code) program once Congress passes legislation preventing the 4.4% payment cut. The Practice Guidelines Subgroup should: 1) move forward with the development of practice guidelines by coming up with a specific plan that includes costs and a process; 2) officially respond to the CSNS and the issues brought forward in October, including what can be done to minimize the legal issues; and 3) select a topic for a pilot project. 	<p>Troy Tippet, MD Katie Orrico</p> <p>David Adelson, MD Barbara Peck</p>		See Agenda
Emergency Services	<ul style="list-style-type: none"> AANS/CNS should send a letter to ACS expressing neurosurgery's concerns and requesting an in-person meeting to discuss the acute surgeon specialty issue. AANS and CNS should write an article for the AANS Bulletin and Neurosurgery News to ensure that neurosurgeons are aware of the issues involved in the acute surgeon specialty and do not inadvertently participate in programs that help train non-neurosurgeons to perform neurosurgical procedures. 	<p>Phil Wirth, MD Richard Ellenbogen, MD Katie Orrico</p> <p>Phil Wirth, MD Richard Ellenbogen, MD</p>	12/06	See Agenda

AMERICAN ASSOCIATION OF
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Neurological
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President

RICHARD G. ELLENBOGEN, MD
University of Washington
Seattle, Washington

January 4, 2006

The Honorable David M. Walker
Comptroller General
Government Accountability Office
441 G Street NW
Washington, DC 20548

RE: MedPAC Commissioner Nomination

Dear Mr. Walker:

On behalf of the American Association of Neurological Surgeons (AANS) and the Congress of Neurological Surgeons (CNS), we would like to support the nomination of Karen R. Borman, MD, FACS, to serve on the Medicare Payment Advisory Commission (MedPAC). Dr. Borman was nominated by the American College of Surgeons. We strongly believe that surgery must be represented on MedPAC, as there are many areas in which surgical issues differ from other medical specialties, and Dr. Borman would be an ideal surgical representative.

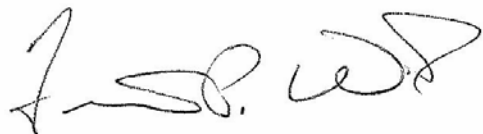
A general surgeon from Jackson, Mississippi, Dr. Borman practices at the University of Mississippi Medical Center in Jackson. She is Vice-Chair for Surgical Education and Program Director for the General Surgery Residency Program at the University. Dr. Borman has practiced in a wide variety of settings in four states during her surgical career.

In addition to her extensive clinical experience and expertise, she has been an active health policy leader both within surgery and for the general medical community. She recently completed several terms on the American Medical Association Current Procedural Terminology (CPT) Editorial Panel, serving as Vice-Chair of the panel for 2000 to 2005. In addition, she has served on the Medicare Carrier Advisory Committees in two states and is familiar with a wide range of reimbursement, coding, manpower, quality, and utilization issues.


Dr. Borman would clearly be an asset to MedPAC and would provide excellent input on issues of concern to physicians, hospitals, and patients who are affected by MedPAC recommendations regarding Medicare policy. In her role on the CPT Editorial Panel, Dr. Borman has demonstrated her ability to give articulate, succinct, and insightful comments as part of a panel that deliberates before an audience. She has been very helpful in identifying key issues and bringing the panel to consensus. Finally, she has a thorough understanding the Medicare Fee Schedule RBRVS update process.

Thank you for considering our recommendations. Again, we believe that it is essential to have surgical representation on MedPAC and we encourage you to appoint Dr. Borman to serve as a Commissioner starting in May 2006.

Sincerely,



Fremont P. Wirth, MD, President
American Association of Neurological Surgeons



Richard G. Ellenbogen, MD, President
Congress of Neurological Surgeons

Washington Office Contact:

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President

RICHARD G. ELLENBOGEN, MD
University of Washington
Seattle, Washington

December 8, 2005

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515-6348

The Honorable Charles B. Rangel
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1106 Longworth House Office Building
Washington, DC 20515-6348

RE: Medicare Physician Reimbursement and Value-Based Purchasing

Dear Chairman Thomas and Ranking Member Rangel:

On behalf of the American Association of Neurological Surgeons (AANS) and the Congress of Neurological Surgeons (CNS), representing organized neurosurgery in the United States, **we urge you to (1) ensure that any final budget reconciliation bill prevents the Medicare physician payment cuts physicians and (2) does not include any punitive value-based (aka pay-for-performance) program, such as that contained in the Senate version of the budget bill, which would result in negative updates for those physicians who do not participate.**

As you move forward with the legislative process, we offer the following comments and ideas about possible solutions for preventing the payment cuts scheduled for January 1, 2006 and for moving to a value-based purchasing system for rewarding physicians who meet valid evidence-based quality measures. Organized neurosurgery is dedicated to working with Congress and the Administration to ensure fair Medicare reimbursement, quality healthcare and the longevity of the Medicare system and it is in this spirit that we offer our comments.

The Payment Cuts

Because of previous cuts and changes made to the methodologies used to determine Medicare physician reimbursement, for more than a decade, neurosurgical fees have been drastically reduced. At the same time, neurosurgery has been devastated by the still unresolved medical liability crisis, with neurosurgeons facing steep increases in their professional liability insurance premiums. At this very moment, there are access problems in many parts of the country, particularly patient access to emergency neurosurgical care, and the neurosurgical physician workforce is shrinking as doctors have been driven out of practice or have reduced the services they provide. Reimbursement cuts will exacerbate this problem and will likely be the last nail in the coffin for many neurosurgical practices. We therefore urge Congress and the Administration to take both long-term and short-term action to prevent the physician payment cuts.

Short-Term Solution

While we strongly advocate for repealing the sustainable growth rate formula (SGR) and replacing it with a system that updates Medicare physician payments based on the Medicare Economic Index (MEI), we understand that it is not possible to accomplish in the short-term. ***We believe, however, that a positive payment update for 2006 and 2007 is essential while a long-term solution is developed during this transition period.***

We understand that policymakers are generally supportive of this notion, although the costs of providing short-term relief present you with some challenges in finding the appropriate spending offsets. While the AANS and CNS do not presume to tell Congress how it should fund the short-term payment fix, we do think that in the interest of fairness you should consider looking at other Medicare program areas as potential sources of revenue. While physicians are receiving payment cuts of 4.4 percent in 2006, hospitals, skilled nursing facilities, home health agencies, Medicare Advantage plans and other providers will be receiving payment increases, some of whom will receive increases in excess of four percent. ***Instead of having such random winners and losers in the Medicare payment system, the fairest solution appears to be legislation that would provide a similar rate of increase for all providers.*** For Medicare to function effectively, it needs all providers to be capable of staying in business to deliver high quality services and so we encourage you to consider ways in which such fairness can be achieved. We believe this proposal is an essential first step in breaking down the Medicare "silos," which is essential for several potential long-term solutions.

Of course, an additional way to reduce the payment reductions and lower the costs for both short and long-term solutions is for CMS to removing physician-administered drugs from the costs counted against physicians. We very much appreciate your ongoing support for this proposal and are chagrined that the Administration has refused to heed your request to take this action. Perhaps with continued pressure, CMS will reverse course on this matter and make this change.

Long-Term Solution

A long-term solution to fixing the SGR is also necessary. As you know, under the SGR, Medicare physician payment will be cut more than 25 percent over the next six years. We understand that many policymakers are committed to moving toward a value-based purchasing system, but we firmly believe that several major structural changes to the physician reimbursement system must occur first before such a payment system is implemented.

The SGR is a system that penalizes increases in the volume of physician services. On the other hand, a value-based purchasing system based on physicians achieving certain quality measures is one in which service volume may actually increase. The SGR and value-based purchasing are therefore incompatible systems. In repealing the SGR, we have the following long-term suggestions:

- 1) Repealing the SGR and replacing it with a system that appropriately accounts for medical inflation. Updating physician payments based on the MEI is one such mechanism.
- 2) Establishing separate payment updates. Congress should consider a payment system that more appropriately accounts for spending growth in the different physician expenditure sectors. One approach could be to create multiple payment updates for different groups of physician services (e.g., major surgical procedures, outpatient drugs, imaging, office visits, minor surgical procedures, etc.). Establishing separate Medicare physician spending sectors may also enhance

the ability of Congress and CMS to move forward with diversified value-based purchasing programs that more accurately reflect differences between medical specialties.

- 3) Allowing “balance billing” in the Medicare program. Cost-sharing is a proven way to reduce healthcare volume and expenditures and this option must be considered as the federal government continues to struggle with funding healthcare in the long-term. In addition, balance billing is very consistent with value-based purchasing and public reporting. If patients are provided with information as to who is the “best” neurosurgeon, it follows that they will be willing to pay more to see him or her.
- 4) Breaking down the silos and divisions between all sectors of Medicare spending (e.g., merging Parts A and B). Ultimately, to sustain the Medicare program for all beneficiaries and providers, the entire program needs to be reformed and modernized. There are a number of thoughtful reform proposals that exist and policymakers should revisit these and/or develop new ideas.

Value-Based Purchasing Programs

Any movement to a quality-based reimbursement system for physician reimbursement under Medicare should be based on the framework, timetable and principles established by the American Medical Association, which the AANS and CNS have endorsed. We are dedicated to providing the highest quality care to our patients and welcome programs that will help us accomplish this goal. On the other hand, we are totally opposed to programs that (1) do nothing to improve quality; (2) produce additional unnecessary layers of bureaucracy and expense; and (3) are merely tools for cutting costs. Adhering to the AMA’s Pay-for-Performance Principles and Guidelines will ensure that Medicare and other payers adopt programs that truly reflect quality and we urge policymakers to base any value-based programs on these principles.

Moving To a Quality Measurement System

Before any permanent quality-based reimbursement system is implemented it must be adequately pilot tested to demonstrate its validity and ensure that physicians who wish to participate are capable of doing so. To that end, we are pleased that CMS is first moving forward with a large pilot project on quality reporting, i.e., the Physician Voluntary Reporting Program (PVRP). While the PVRP may prove invaluable for determining how, when and what data can be collected and how that data can be analyzed and used, several changes must be made before many physicians will participate. In addition, several aspects of the measurement development process need to be improved. Finally, Medicare must implement some fundamental structural changes to allow the program to appropriately account for any savings achieved due to quality improvement. The AANS and CNS have the following specific observations and suggestions for policymakers to consider:

- 1) Neurosurgery, like several other specialties, is essentially excluded from the PVRP program because there are few quality measures applicable to the services provided by neurosurgeons. Neurosurgery did work with CMS over the summer on some possible measures, but they were not accepted because they have not yet been approved by a formal “consensus-building” and validation process.
- 2) The AANS and CNS, like several other organizations, question the PVRP program’s use of G-codes as the mechanism for reporting quality information and believe Category II CPT codes would be more appropriate and effective. Physicians and private payers do not typically use G-

codes and introducing this new coding mechanism into physician offices will be administratively burdensome, confusing and expensive.

- 3) The manner in which measures are validated and approved for implementation must also be revisited. We do not believe the National Quality Forum (NQF) is the best and only avenue available. There are numerous problems with the current NQF organizational structure and measurement development process, which hinders the timely development of quality measures for all physician specialties. The AMA's Physician Consortium for Performance Improvement provides a preferable avenue for both developing and validating quality measures. In addition, the Ambulatory Quality Alliance (AQA) cannot adequately address surgical measures as they lack expertise in this area of health care. This further limits the ability of neurosurgery to implement quality measures. Because of the AQA's limitations, the AANS and CNS have joined with the American College of Surgeons and others to develop the new Surgical Quality Alliance (SQA).
- 4) For surgical value-based purchasing to appropriately reward physicians for providing high quality medical care (which may also produce savings to the Medicare program), the barriers between Medicare Part A and Part B must be broken. Most of the savings achieved from the efforts of surgeons will be in the form of fewer complications, reduced length of stay and fewer hospital readmissions. The current payment system does not appropriately account for these rewards since there is no way to "credit" physicians for Part A savings.
- 5) One-size does not fit all, and policymakers should consider implementing different programs for different specialties. For example, so-called "process" measures may be more appropriate for primary care, but are not as relevant for the surgical specialties. In contrast, measures based on clinical outcomes are more applicable for surgery.

AANS and CNS Actively Pursuing Evidence-Based Quality Measurement Development

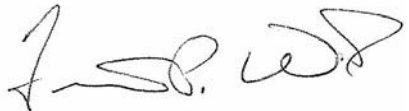
In response to the call for value-based purchasing, the AANS and CNS have significantly increased our quality improvement activities. For example, last March we established the Quality Improvement Workgroup (QIW). The QIW has just launched the first of several pilot outcomes projects designed to produce the Level One evidence needed to develop valid quality measures. The QIW is also currently reviewing the neurosurgical literature to determine if there is an adequate amount of data in several key areas to constitute a guideline from which quality measures can be developed. Finally, the QIW is developing additional measures that could be included in the PVRP and other quality reporting programs. The AANS and CNS will continue to expand our involvement in these and other quality improvement activities as our healthcare system continues to move in this direction.

Conclusion

Given the problems with the SGR and the previous volume performance standard approach to updating physician payments, we believe any new payment system must be well thought-out and tested. Developing another doomed system helps no one. We are willing to work with Congress, CMS and other groups to develop a value-based purchasing system and support additional pilot projects and demonstrations. We believe the PVRP is a well-intended first step in this process, but is only a first step and should not be converted into an actual payment system until further pilot testing that includes all specialties is conducted and changes are made to the overall payment system.

Thank you for considering our comments and suggestions.

Sincerely,



Fremont P. Wirth, MD, President
American Association of Neurological Surgeons



Richard G. Ellenbogen, MD, President
Congress of Neurological Surgeons

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President

RICHARD G. ELLENBOGEN
University of Washington
Seattle, Washington

December 8, 2005

Thomas R. Russell, MD, FACS
Executive Director
American College of Surgeons
633 N. Saint Clair Street
Chicago, IL 60611-3211

RE: Meeting Request to Discuss Acute Care Surgery Specialty

Dear Dr. Russell:

The American Association of Neurological Surgeons and the Congress of Neurological Surgeons have serious concerns regarding the American Association of Surgery of Trauma's proposed new Acute Care Surgery specialty and we want to take this opportunity to voice our formal opposition to the creation of this new specialty, particularly as it relates to the delivery of neurosurgical emergency care.

Improving the delivery of trauma and emergency neurosurgical care is a high priority of the AANS and CNS and we have several initiatives underway to address this complex issue. We believe, however, that the creation of this specialty is ill-advised because patient safety and care will be adversely affected due to insufficient training for individuals providing neurosurgical care. The timeline and description of the training that would be required to perform neurosurgical procedures is most concerning; some of the procedures listed require a very high level of skill, which clearly cannot be acquired in a short timeframe.

In the interests of patient safety and quality of care, we hope that the College will join with us and oppose efforts to implement the proposed Acute Care Surgery specialty. Together, we can certainly develop more appropriate ways to ensure the timely delivery of emergency surgical care. To that end, we would like to meet with the leadership of the American College of Surgeons regarding these matters as soon as possible, and certainly before the College makes any final decisions regarding its support of this proposed specialty.

Thank you for considering our request, and we look forward to hearing back from you soon.

Sincerely,

Fremont P. Wirth, MD, President
American Association of Neurological Surgeons

Richard G. Ellenbogen, MD, President
Congress of Neurological Surgeons

cc: Edward R. Laws, MD, FACS
Martin B. Camins, MD, FACS

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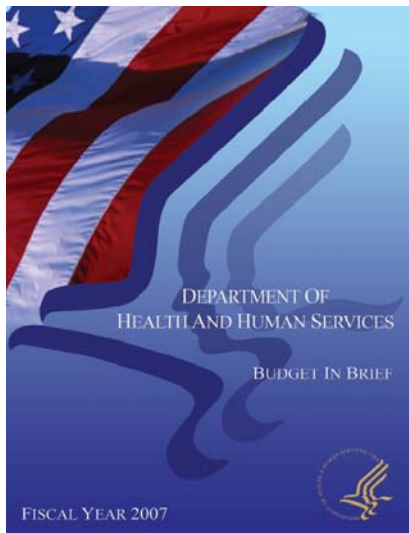
BIOGRAPHICAL SKETCH

Cynthia A. Brown
Director, Division of Advocacy and Health Policy
American College of Surgeons

Ms. Brown is the Director of the Division of Advocacy and Health Policy of the American College of Surgeons, which has staff both in Washington, DC, and at the College's headquarters in Chicago. Her principal role is to work with College leaders to develop health policy initiatives that address the needs of the profession and its patients, and to conduct advocacy efforts to implement those initiatives. Her division is responsible for developing and responding to state and federal legislative and regulatory proposals, CPT coding development and educational activities, and practice management issues.

Ms. Brown has worked for the College since 1987. Prior to assuming her current position as Director of the division, Ms. Brown served as its associate director, as manager of the Washington office, and as a lobbyist. She served for five years as Administrator of the College's Metropolitan Washington Chapter. Ms. Brown's Washington experience also includes positions with the American Tort Reform Association, the Blue Cross and Blue Shield Association, and the House Energy and Commerce Subcommittee on Health and the Environment.

She received a bachelor's degree in political science from Northwestern University in Evanston, IL, and a master's degree in legislative affairs from the George Washington University in Washington, DC.



The President's FY2007 Budget Proposal

The entire 118 page document can be viewed at:

<http://www.hhs.gov/budget/07budget/2007BudgetInBrief.pdf>

NOTE: Several sections of the Washington Committee agenda have additional details on the budget proposal.

In early February, President Bush sent his FY 2007 budget proposal to Congress. The release of the President's budget proposal kicks off the federal appropriations and budget process. While the document will likely undergo thousands of changes and edits, it is the foundation for the 2007 federal budget. Below are just a few points of interest.

Medicare

For the second year in a row, the President's budget calls for cuts to the federal Medicare program. Last year, Congress obliged the President's request by cutting mandatory federal spending by \$38.8 billion over five years, including a \$6.4 billion cut to Medicare. In his FY 2007 budget, President Bush calls for more than \$35.89 billion in additional cuts to Medicare over the next five years. More than \$30 billion of that number will come from reduced payments to providers. More than \$8 billion would be cut from hospitals, as a result of cutting their yearly market-basket update by .45 percent in 2007 and .4 percent in 2008 and 2009. Skilled nursing facilities would be cut by \$5 billion and home health, ambulance services, hospice and outpatient hospital services also take a hit. The physician update is not targeted for a cut, but that's just because it is already slated to be cut the maximum amount allowable by law in 2007.

While the Medicare cuts are disturbing, Medicare is still the second largest ticket item in the federal budget next to social security. The Medicare budget is more than the department of defense and the department of homeland security budgets, although both of are the big winners in the FY 2007 budget proposal with significant increases. In addition, as has been explained in the past in relation to the physician payment cuts, the Medicare program is not actually been "cut" under the proposal. Because of significant increases in the volume and intensity of services, Medicare is slated to grow 8.1 percent in 2007. The Bush budget cuts of \$35.89 billion over five years would slow down the growth rate to 7.7 percent, still a noteworthy growth rate. In total, the Health and Human Services budget requested by the President is \$698 billion, an increase of \$58 billion from FY 2006. The Medicare program makes up \$449.2 billion of that, up from \$393.8 billion in FY 2006.

The President's budget does not include funding for the prevention of the Medicare physician payment cuts. The Administration does, however, note that it "supports physician

payment reforms that do not increase taxpayer, Medicare or beneficiary costs, such as differential updates initially for physicians that report on quality measures and later for physicians that achieve efficient and high quality care.” In order for a “reform” to not increase taxpayer, Medicare or beneficiary costs, it must be off-set but additional cuts in the program. The concept of preventing the cuts only for those physicians who report on quality measures, and later only for those physicians who met specific quality standards, has been included in various pay-for-performance proposals. The money to pay for the additional payments for those physicians who report would also come from an additional across-the-board cut to all providers, which would be redistributed to those who report.

The President’s budget also calls for automatic Medicare payment cuts when general revenues are projected to exceed 45 percent of total Medicare financing. The MMA, the law that created the prescription drug benefit in 2003, included a provision that requires the Medicare trustees to include a comprehensive fiscal analysis of the program’s financing and issue a warning and options to Congress to reign in costs when the 45 percent threshold is reached. The MMA, however, allows Congress to essentially ignore the warning and continue to finance the program without cuts. The change the Bush Administration is asking for in its budget proposal would make it mandatory for Congress to cut Medicare spending when the 45 percent threshold is met. Under the proposal, Congress would have to cut all Medicare payments to all providers by 4/10 of a percent each year until spending fell below the 45 percent threshold. The cuts would accumulate each year. Currently, there is debate about when exactly the 45 percent threshold would be met. The Bush budget says the threshold will not be reached for ten years – 2017 – IF Congress passes all of its recommended \$35.89 billion in cuts (over 10 years, the recommended changes by the administration would produce approximately \$100 billion in cuts). If the cuts are not made, the threshold would obviously be met sooner. Some reports have stated the threshold may be met as early as 2010. Any additional expenditures, including repeal of the SGR, increases in volume, increases in physician payment rates, etc. would accelerate federal spending and the reaching of the threshold. Fiscal conservatives are likely to support the proposal.

Medicaid

The budget reviews the Medicaid savings proposals included in the Deficit Reduction Act and discusses legislative proposals to achieve an additional \$1.9 billion in savings over five years, as well as administrative proposals to achieve an additional \$12.2 billion in savings over the next five years. These include reducing the maximum provider tax rate from 6% to 3%, further reducing Medicaid drug reimbursement rates and modifying disproportionate share hospital (DSH) payments.

Medical Liability Reform

The 2007 budget renews the President’s call for medical liability reform to reduce frivolous lawsuits and increase access to quality and affordable health care.

Health Information Technology/Electronic Medical Records

The President’s budget reiterates that it is the administration’s goal to have all medical records converted to electronic format by 2014. To support this goal, the budget expands several CMS departments charged with developing standards and promoting demonstration projects. As for funding this transformation, the administration stated “the adoption of health information technology is a normal cost of doing business to ensure patients receive high-quality care. To encourage doctors and patients to adopt electronic health records, the Administration’s goal is to promote

conditions for a thriving free market.” The President’s budget requests \$169 million for the Office of the National Coordinator for Health Information Technology, more than double the 2006 request.

Health Insurance Reform

The President proposes tax credits for the purchase of health savings accounts (HSAs) of up to \$1,000 for individuals and up to \$3,000 for families. He also proposes to increase the amount that individuals can contribute to an HSA and to make HSA premiums tax deductible. The budget proposes expanding the tax deduction on out-of-pocket medical expenses to make health costs more affordable for the uninsured and allow people with insurance to deduct a greater portion of the money they spend on copays, deductibles and non-covered services.

Agency for Healthcare Research and Quality (AHRQ)

For 2007 the Administration requests \$319 million for AHRQ, the same as 2006. The funds are also targeted as they were in last year’s proposal with \$50 million for health information technology investments to enhance patient safety (especially ambulatory care), \$34 million for other patient safety activities, and \$15 million for comparative effectiveness research on health services and drugs as authorized by the MMA.

Food and Drug Administration (FDA): The FDA budget would increase to nearly \$2 billion, in part due to increased funding for pandemic flu preparedness and food safety.

National Institutes of Health (NIH)

At \$28.6 billion, the 2007 request for NIH is the same as 2006. Funding increases are proposed for several NIH initiatives, including genetics research and pandemic flu preparedness, but the budget states that a number of grants funded during the years the NIH budget was being doubled are ending in 2006.

Centers for Disease Control and Prevention (CDC)

The budget requests \$8.2 billion for CDC, a decrease of \$179 million from 2006. Funding for programs related to infectious diseases and bioterrorism would increase, whereas funding for CDC buildings and facilities, health promotion, and a program called 9/11 Emergency Workers would be decreased.

Program Elimination

The Bush budget also calls for the elimination of several programs under HHS. The programs include the traumatic brain injury program and the emergency medical services for children program. The children’s hospitals graduate medical education payments program will be significantly reduced.



Medicare Physician Payment Update

Sustainable Growth Rate Formula and Medicare Physician Payment Update

2006 Physician Update

On February 8, President Bush signed the Deficit Reduction Act of 2005 into law. The provision repealed the 4.4 percent cut to Medicare physician payment services that went into effect on January 1st and froze the conversion factor at the 2005 level. Medicare claims-processing contractors should have begun paying at the higher rates by February 10, 2006. Claims submitted between January 1 and February 10 will be automatically reprocessed. Each claim will not be reprocessed individually. Instead, contractors will send one, or several, checks that represent the difference for all of the claims processed between January 1 and February 10. The reprocessing is expected to be completed by July 1, 2006. It should be noted that the legislation only freezes the conversion factor at the 2005 level and does not freeze the entire Medicare physician fee schedule at the 2005 rates. Changes made to individual codes caused by changes in the work RVU, practice expense RVU, malpractice RVU or geographic adjustments still stand. Below is a chart of several common neurosurgical procedures and their payments over time.

<u>Procedure Description</u>		<u>1992</u>	<u>1997</u>	<u>1998</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
22554	Ant cerv fusion	\$1,354	\$1,662	\$1,539	\$1,352	\$1,312	\$1,336	\$1,342
22612	Lumbar post-lat fusion	1,255	1,801	1,648	1,421	1,457	1,498	1,504
22630	PLIF	1,389	1,705	1,557	1,421	1,454	1,478	1,485
35301	Carotid endarterectomy	1,093	1,436	1,320	1,074	1,115	1,129	1,129
61510	Craniotomy for tumor	1,807	2,405	2,216	1,892	1,947	1,978	1,989
61700	Craniotomy for aneurysm	2,358	3,509	3,224	3,287	3,385	3,442	3,460
61793	Radiosurgery	1,307	1,639	1,400	1,165	1,180	1,197	1,206
62223	VP shunt	1,044	1,285	1,103	881	905	914	919
63030	Lumbar disectomy	966	1,205	1,028	844	860	883	888
63047	Lumbar laminectomy	1,408	1,408	1,290	1,010	1,030	1,047	1,051
63075	Ant cerv disectomy	1,126	1,609	1,475	1,312	1,343	1,363	1,369
99243	Office Consultation	81	94	102	117	121	123	123
National Conversion Factor		\$31.00	\$40.96 (s) \$33.85 (ns)	\$36.69	\$36.78	\$37.34	\$37.90	\$37.90

For a discussion on how Congress funded the freeze, please see the report on imaging. CMS also announced a second 45-day participation enrollment period to allow physicians to change their participation decision.

2007 Physician Update

Because of problems with the sustainable growth rate formula (SGR), Medicare physician payment is slated to be cut on January 1, 2007 by approximately 5 percent. The exact amount will be determined in the late spring when the most updated Medicare Economic Index (MEI) becomes available (by law, the most the update can be cut in one year is 7 percent less the MEI – until the MEI is known, the exact amount of the cut cannot be determined). As has been explained before, the SGR formula places a cap, or expenditure target, on the amount the Medicare program will spend on physician Part B services. Because expenditures have been over the cap for several years in a row, physicians must “pay back” the program. This “recoupment” is achieved by cutting the Medicare physician payment conversion factor, which is updated yearly. The reason that costs have been over the expenditure target is that there has been an explosion in the volume and intensity of physician services performed since 2002.

In order for the cuts to be prevented, Congress must pass legislation for the fifth year in a row. Physician organizations once again prefer one of two primary solutions to this ongoing problem:

- 1) Congressional repeal of the SGR and replacement with a system that is based on the cost for providing services (i.e. the Medicare Economic Index); or
- 2) Administrative adjustments to the SGR that would readjust the expenditure target (i.e. removing the costs of physician-administered outpatient drugs from the costs counted toward the physician expenses).

Both solutions have a price tag of near \$280 billion. The chances of Congress passing legislation to repeal the SGR are negligible. The chances of the administration making administrative changes to the formula also appear to be negligible. In fact, President Bush's FY2007 budget proposal asks Congress to cut Medicare spending by \$35.85 billion over five years, not increase spending by \$280 billion. The President has also asked for a provision that would automatically cut the Medicare program when 45 percent of costs come from general revenues – a level that will be accelerated if \$280 billion is put into the system.

At this point, it appears the best hope for preventing the 2007 Medicare physician payment cuts is another “short-term” fix. In essence, Congress will override the SGR formula and pass a Congressional update. Congress has taken similar action the past four years in a row. This year Congress will need to take action by October because it is an election year. As with last year, while physicians are asking for additional funding to prevent the cuts, Congress will at the same time be making cuts to the Medicare system. On a positive note, the Medicare Payment Advisory Commission (MedPAC), which advises Congress on Medicare payment issues, is expected to recommend in its March 1 report that physicians receive a 2.8 percent increase in 2007. In addition, many congressional leaders from both sides of the aisle have acknowledged the problem and have vowed to help. No one, of course, has an answer to the \$64,000 question: Where's the money coming from?

Long-Term Solutions

Several Congressional leaders have again asked for a long-term solution to this problem. The goal is to find something that does not cost \$280 billion and provides stability to the payment system. Pay-for-performance is the solution currently receiving the most attention. It is still unclear how pay-for-performance relates to the SGR/update problem, but one concept being tossed around is that only physicians who report on quality measures will receive a positive

update and those who do not will have to live with the 5.5 percent cut. Congress enacted a similar provision with hospital quality reporting, except that at the time all hospitals were receiving a positive update and those who did not report received less of a positive update, but still not a cut. For more information on pay-for-performance, please see the separate report.

The American College of Physicians in January engaged in another round of its “the poor, deprived primary care physician” campaign and is calling for payment reforms that will pump more money into primary care at the expense of specialty physicians. The main element of the ACP campaign is to create a new coding class called “care coordination” that would allow primary care physicians to bill for developing treatment plans for patients with multiple diseases and coordinating the patients care among providers (this is yet another variation of the gatekeeper concept). ACP argues the proposal will save money overall by cutting back on duplicative and unnecessary services and increasing overall efficiency in the system.

The idea of reverting to separate expenditure targets/conversion factors for various Medicare services, as recommended by organized neurosurgery and the American College of Surgeons, is also gaining some steam. MedPAC’s March 1 report is expected to support this concept and this is the first independent endorsement of this idea. Obviously, physician groups with minimal growth, including the surgical specialties, like this concept while those with high-growth, including cardiology, dermatology and primary care, object



Quality Improvement Workgroup Update

Pay for Performance

The pay-for-performance bandwagon continues to barrel down Constitution Avenue at an alarming rate. Recent developments suggest the question is not “if” but “when” and that the “when” might be in the very near future.

Legislative Action

AMA/Leadership Agreement – during the final hours of the budget reconciliation process that led to the repeal of the 2006 Medicare physician payment cut, Congressional leadership, including Senator Grassley, Representative Thomas and Representative Deal, called the AMA in to discuss pay-for-performance. While the reason why remains clouded in a frenzy of he said/she said, a written, signed agreement was produced that laid out specific steps “physician groups” will take over the next year to prepare for pay-for-performance. The agreement was deemed “top secret” and was adamantly denied to exist by AMA and Hill staffers for several weeks. Once the dust settled and, in true Washington fashion, the leaks begin to spring, the agreement surfaced. **(See attached** copy of the agreement). In essence, the agreement states “physician groups” (an unclear term as the AMA is the only physician group signing the agreement) will accelerate the quality measurement development process. There is no discussion of the 2007 Medicare physician payment cuts, the overall Medicare payment cuts or funding for the pay-for-performance program. The provisions of the agreement are:

- In 2006, physician groups will work with CMS to reach agreement on a starter set of evidence-based quality measures for a broad group of specialties for review by a consensus-building process.
- By the end of 2006, physician groups will have developed a total of approximately 140 physician performance measures covering 34 clinical areas.
- In 2006, physician groups will work with CMS to develop the most accurate and efficient method for physicians to report quality data to CMS.
- During 2006, physician groups will develop with CMS, the House Committee on Ways & Means, the House Committee on Energy & Commerce and the Senate Committee on Finance to implement additional reforms to address payment and quality objectives.
- In 2007, physicians would report voluntarily to CMS on at least 3 to 5 quality measures per physician. Physicians that report measures should receive an additional quality update to offset administrative costs.

- By the end of 2007, physician groups will have developed performance measures to cover a majority of Medicare spending for physician services.

In a memo to medical societies, the AMA offered its explanation for what the agreement means, although its version of the facts contradicts what folks on the Hill understand. **(See attached memo from Dr. Maves).** The AANS, CNS and other specialty societies were not at all pleased with this agreement. These groups sent a letter to the three chairmen and the AMA expressing this displeasure. **(See attached).**

CMS – In recent meeting, CMS indicated that it is working to be prepared to launch pay-for-performance on a large-scale level as soon as possible. CMS will test the “data collection” methods for several measures through the Physician Voluntary Reporting Program (PVRP) in late spring. CMS feels it can take what it learns in this process and apply it to all measures. CMS is satisfied with its set of “starter” measures that it developed last year. These starter measures will be the focus of the PVRP. **(See attached list of measures)**

Ready or Not, Here it Comes - At this point, it appears that physician pay-for-reporting is likely to become part of the Medicare program in 2007 with pay-for-performance starting as early as 2008. Many physician groups will be working this year to delay this timeline. The biggest question mark relates to funding for the new program. At this point, Congress has remained silent on the issue. The Bush administration stated in its FY 2007 budget proposal that it supports a system that pays physicians more for reporting quality data (or meeting quality standards after 2008), but does not increase program costs or beneficiary premiums. This is a budget-neutral proposal that is similar to what was proposed by the Senate Finance Committee last summer. Budget neutral scenarios look like this:

- 1) Cut of 5 percent for all physicians as mandated by the SGR; additional cut of 1 to 2 percent that is used to create a “quality pool” that is redistributed to physicians who report/meet quality measures
 - ❖ Cost to Medicare: nothing
 - ❖ Cost to Beneficiaries: nothing
 - ❖ Effect on Physicians: 6 percent cut for non-reporters; less for those who report
- 2) Cut of 5 percent for all physicians; additional funding for “quality pool” created by off-sets
 - ❖ Cost to Medicare: nothing
 - ❖ Cost to Beneficiaries: nothing
 - ❖ Effect on Physicians: 5 percent cut; less for those who report depending on how much is in the quality pool
- 3) Freeze for all physicians created by off-sets; additional funding for quality pool created by even more off-sets
 - ❖ Cost to Medicare: nothing
 - ❖ Cost to Beneficiaries: nothing
 - ❖ Effect on Physicians: freeze at 2005 levels; slight increase for those who report

Currently, it appears option three is the most viable and the most likely. The key question is: Is there enough money in off-sets left in the Medicare program to freeze the conversion factor again at the 2005 level, pay for a quality pool to redistribute to physicians who report, and to make the \$35.89 billion in overall Medicare cuts requested by the President in his FY2007 budget? According to CMS, the answer is yes, if pay-for-performance itself can be designed in a way that scores savings to the Medicare program. If savings are scored, these savings can be used to pay

for the conversion factor freeze and the quality pool. However, the use of quality measures themselves have yet to demonstrate significant cost savings to the Medicare program. To get around this problem, CMS is currently working on the development of “efficiency” measures. In a recent meeting, CMS officials refused to comment on what these measures will be and when they will be ready, but they did say they believe it is solely within their realm to develop efficiency measures and they are well into the process.

The bottom line is that CMS’ position is if physicians have any hope of stopping the scheduled 2007 physician payment cut, it is through pay-for-performance because it is the only avenue available that provides the necessary off-sets to fund another freeze.

Quality Measure Development

In response to the increasing legislative pressure to advance pay-for-performance, activity surrounding quality measure development has increased. Several organizations have vamped up activity in an effort to increase the number of quality measures available:

National Quality Forum – the NQF has “fast-tracked” numerous quality measures in an effort to expedite the approval process. These measures include 22 different measures related to DVT prevention and treatment (it should be noted that some of the measures apply to hospitals and not physicians and of the measures that apply to physicians, not all apply to neurosurgeons). Many of the measures included in the “fast-track” are measures that have been developed by individual organizations and/or used in programs like SQIP but have yet to be approved by a consensus building organization. These measures were initially included in CMS’ set of starter measures, but were removed at the last minute because of this problem. NQF also had a significant backlog of measures awaiting review, but claims now to have hired additional staff and management. Between the fast-track program and clearing the backlog, NQF is expected to endorse a large number of measures over the next year.

Ambulatory Quality Alliance – The AQA is also working to expedite their measure development and approval process. The AQA has developed a new work group focused on Surgical/Procedures. The AQA is also working on “cost of care” measures, which are likely to be similar to the “efficiency” measures in development by CMS (CMS itself is a member of the AQA). The AQA is in the process of determining whether or not it will change its name, and if so, to what. The surgical groups have insisted on a name change to better reflect the fact that this entity is not solely primary care oriented. If the AQA fails to move in a direction that is satisfactory to the surgical groups will break free and operate through the SQA mechanism.

Surgical Quality Alliance – Formed by the American College of Surgeons, the SQA held its first meeting in December 2005. At that meeting, the SQA approved eight quality measures by unanimous consent. **(See attached)** Each measure focuses on a specific process and is written in a “did you or didn’t you” do it format. The SQA also developed an Issues and Observations statement that defines its mission and the P4P environment as it relates to surgery. It is envisioned that the SQA will eventually be capable of operating as a stand-alone group, similar to the AQA, such that it will include not only the surgical specialty societies, but also representatives from CMS, AHRQ, the health plans, employers and consumers.

AMA Physician Consortium – The AMA Physician Consortium is scheduled to meet at the beginning of March. It is expected that the Consortium will follow suit and attempt to expedite its measure development process. Given the fact that the AMA has promised Congress that it will develop 140 measures by the end of 2006, it will be vital for the AANS and CNS to be active

participants in this process. To date, we have been passively watching with little interest the comings and goings of the Consortium because its work was largely devoted to primary care and chronic disease management. The Consortium is also exploring ways in which measures may be consistent with, or used in the MOC processes developed by the various Boards of Medicine.

Quality Improvement Workgroup Activities

Since December, the QIW has undertaken the following tasks:

- 1) Attending AQA and SQA Meetings and Conference Calls. In preparation for the expedition of measure approval, the AQA and SQA have had numerous meetings and conference calls.
- 2) Commenting on the DVT Measures. The QIW is in the process of developing formal comments for submission to the National Quality Forum on the DVT measures relevant to neurosurgery. The QIW is also working closely with the American College of Surgeons on this issue.
- 3) Lumbar Spinal Stenosis Outcomes Project – the LSS Outcomes project is in the final stages of development and is pending approval before several IRBs. The pilot-test has begun in some practices, although not all those who have committed to participate have designated a single individual to participate begin shortly and a supplemental report will be provided to the Washington Committee.
- 4) Guidelines Work Group – the Guidelines subgroup of the Quality Improvement Work Group is in the process of developing a document in response to the legal questions regarding guidelines presented at the CSNS in October. The subgroup is also developing several structural and funding scenarios for the development of guidelines. A supplemental report will be provided to the Washington Committee. **(See attached the original framework document)**

In order to manage the increasing pressure to develop and comment on measures in preparation for pay-for-performance, the QIW has become more involved in the various external activities involved in measure development. the current structures are outlined below:

Washington Committee's Quality Improvement Workgroup

Robert Harbaugh, MD, Chair
Daniel Resnick, MD, Vice-Chair
David Adelson, MD
Hunt Batjer, MD
Gary Bloomgarden, MD
Larry Chin, MD
Jeffrey Cozzens, MD
Fernando Diaz, MD

Elana Farace, PhD
Bob Heary, MD
John Kusske, MD
David McKalip, MD
Craig Van der Veer, MD
Richard Wohns, MD
Troy Tippet, MD, Ex-Officio

Outcomes Subgroup

Robert Harbaugh, MD, Chair
Elana Farace, PhD
Hunt Bajter, MD

Quality Measures Subgroup

Daniel Resnick, MD, Chair
Hunt Bajter, MD
Larry Chin, MD
David McKalip, MD

Guidelines Subgroup

David Adelson, MD, Chair
Gary Bloomgarden, MD
Robert Harbaugh, MD
Daniel Resnick, MD

Troy Tippet, MD
Craig Van der Veer, MD
Richard Wohns, MD

AMA Physicians Consortium for Performance Improvement

<http://www.ama-assn.org/ama/pub/category/2946.html>

AANS Representative

Daniel Resnick, MD

CNS Representative

Not Currently a Member

Surgical Quality Alliance

AANS/CNS Representative

Robert Harbaugh, MD

Ambulatory Quality Alliance

<http://www.ambulatoryqualityalliance.org/>

AANS/CNS Representative

David McKalip, MD

AQA Reporting Workgroup

AANS/CNS Representative

Robert Harbaugh, MD

AQA Data Sharing & Aggregation Workgroup

AANS/CNS Representative

Robert Harbaugh, MD

Performance Measurement Workgroup

AANS/CNS Representative

Need to Appoint

Efficiency Measures Subgroup

AANS/CNS Representative

Need to Appoint

Acute & Chronic Care Subgroup

AANS/CNS Representative

Need to Appoint if deemed necessary

Surgery and Procedures Subgroup

AANS/CNS Representative

Need to Appoint

The QIW will meet in San Francisco in conjunction with the AANS Annual Meeting.

Joint House-Senate Working Agreement With the AMA

- In 2006, physician groups will work with CMS to reach agreement on a starter set of evidence-based quality measures for a broad group of specialties for review by a consensus-building process.
- By the end of 2006, physician groups will have developed a total of approximately 140 physician performance measures covering 34 clinical areas.
- In 2006, physician groups will work with CMS to develop the most accurate and efficient method for physicians to report quality data to CMS.
- During 2006, physician groups will develop with CMS, the House Committee on Ways & Means, the House Committee on Energy & Commerce and the Senate Committee on Finance to implement additional reforms to address payment and quality objectives.
- In 2007, physicians would report voluntarily to CMS on at least 3 to 5 quality measures per physician. Physicians that report measures should receive an additional quality update to offset administrative costs.
- By the end of 2007, physician groups will have developed performance measures to cover a majority of Medicare spending for physician services.

Alan Ladyman 12/16/03

Bd - Chair

AMA

Chuck Grassley

Bill Thomas

Nathan Deal

Memo to: Executive Directors
State Medical Associations
National Medical Specialty Societies

From: Michael D. Maves, MD, MBA

Date: February 7, 2006

Subject: Joint House-Senate Working Agreement with the AMA

During the Budget Reconciliation process last year, the American Medical Association (AMA) was repeatedly pressed by key congressional leaders and senior Bush administration officials to demonstrate a commitment to work with policymakers on physician quality reporting initiatives. Physician concerns about the initial CMS Physician Voluntary Reporting Program proposal were interpreted on Capitol Hill as a sign of opposition to quality reporting. Representative Bill Thomas, Chair of the House Ways and Means Committee, Senator Charles Grassley, Chair of the Senate Finance Committee and the Bush Administration were less inclined to address payment cuts triggered by the Sustainable Growth Rate (SGR) formula if there was insufficient progress on the quality front.

In letters to Dr. McClellan and congressional leaders that were distributed to state and specialty society executives in mid-December, the AMA outlined a number of steps it agreed to take to work with CMS and Congress on quality and physician payment issues. During a subsequent meeting with Chairman Thomas, Chairman Grassley and Representative Nathan Deal, Chair of the House Energy and Commerce Health Subcommittee, AMA Board Chair, Dr. Duane Cady was asked to sign a joint working agreement that contained items the AMA previously had committed to pursue. Attached is the agreement signed by Dr. Cady, Chairman Thomas, Chairman Grassley and Chairman Deal.

Perspectives

The AMA is working through the Physician Consortium for Performance Improvement (Consortium) to refine a starter set of evidence based quality measures for the CMS Physician Voluntary Reporting Program. CMS has proposed scaling back the initial set of measures from 36 to 16.

The commitment to develop 140 physician performance measures and to cover a majority of Medicare spending, represents work either already completed by the Consortium or was in the planning stages at the end of last year.

The AMA welcomes the involvement and collaboration of other physician groups in quality reporting activities. However, we did not commit any individual state or national specialty society to the activities outlined in the agreement with the three congressional chairmen.

The AMA and many other physician groups opposed the Senate pay for performance provision under consideration in the reconciliation conference negotiations. The three committee chairs were intent on securing some commitment that physicians would work on a voluntary reporting program if the Senate provision was not included in the final conference agreement. The Senate pay for performance provision was not included in the conference agreement.

The AMA Board of Trustees reviewed and approved our commitment to work with CMS and Congress on the implementation of a voluntary quality reporting program.

The attached agreement is not contrary to AMA policy. The details of a pay for performance program and additional payments for quality reporting will have to be negotiated in subsequent legislation and regulations.

The legislative process involves decision points that require action on a real time basis. We were asked by congressional leaders to keep this confidential. Recent press leaks broke the embargo. The agreement did not involve any commitments that we had not previously outlined to our specialty colleagues.

There is a lot work and many challenges ahead. The AMA has substantially increased the resources allocated to the Consortium and other quality improvement activities. We hope you will join us in developing policies that better serve physicians and their patients.

Attachment

January 31, 2006

Honorable William M. Thomas
Chairman,
Committee on Ways and Means
1100 Longworth House Office Building
Washington, D.C. 20515

Honorable Charles E. Grassley
Chairman,
Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Honorable Joe Barton
Chairman,
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairmen:

The Alliance of Specialty Medicine, a coalition of 13 national medical specialty societies representing more than 200,000 physicians, greatly appreciates the work of your Committees last year to address the problems with the flawed Medicare physician payment formula and to promote health care quality through quality based purchasing. Therefore, it is especially disconcerting to us, after having worked closely with you throughout the year on these important issues, to learn that in December 2005 the American Medical Association signed an agreement with you that may now be considered the negotiated outcome regarding Congress' work on these two issues.

The undersigned Alliance members strongly believe that the flawed Sustainable Growth Rate (SGR) formula is incompatible with the value-based purchasing initiative, and urge you to address both issues in order for quality based purchasing to work. The Alliance is committed to collaborating with you, Congress, and the Administration to achieve these reforms.

Towards this end, the Alliance and its member organizations have worked actively to support Congress' and the Administration's efforts to reward physicians providing quality care through value-based payments. Congressional and Administration staff have repeatedly acknowledged the positive role the Alliance has played, and assured us that the physician community, including specialty medicine, will have an active role in determining quality measures. We believe that through a collaborative and thoughtful process, a value-based purchasing system is possible.

To succeed, any national quality measurement initiative must work with the realities of specialty medicine, be specialty specific, and be developed by the specialty societies with expertise in the area of care in question. These goals can only be accomplished if specialty medicine is included in negotiations. While we have already been working to ready our organizations to prepare for Pay-for-Performance, we are concerned that this agreement binds organizations to timelines and processes that may not be able to be accomplished by all medical specialties. Our organizations believe in the goals of quality medicine and recognize the need to work together with all of medicine on this goal.

The Alliance has worked in good faith with your Committees and staff, with the Congress, and the Administration. We are dismayed that an agreement was reached on issues that are critical to the future of our specialties and our patients without our participation or knowledge. The American Medical Association can not be the sole representative for the groups who are paramount to the development and implementation of quality measures. We urge you to work with us on any legislation that reforms physician payment and initiates a performance-based program impacting specialty medicine. Please contact our Medicare Committee Chair, Nancey McCann (at nmccann@ascrs.org or 703-591-2220) or Vice Chair, Cherie McNett (at cmcnet@auanet.org or 410-689-3700) as we look forward to continued work this year and beyond on legislative reforms addressing Medicare physician payment and value based purchasing. Thank you.

Sincerely,

American Academy of Dermatology Association
American Association of Orthopaedic Surgeons
American Association of Neurological Surgeons
American College of Emergency Physicians
American College of Obstetricians and Gynecologists
American Gastroenterological Association
American Society of Cataract and Refractive Surgery
American Urological Association
Congress of Neurological Surgeons
National Association of Spine Specialists

February 10, 2006

Duane M. Cady, MD, Chair
Board of Trustees
American Medical Association
515 N. State Street
Chicago, IL 60610

Dear Dr. Cady,

On December 16, 2005, the American Medical Association entered into an agreement with the three Congressional Committee Chairs with jurisdiction over Medicare that commits physician groups to a pay-for-performance timeline. The AMA entered into this agreement, on behalf of not just AMA but all physician groups, without first consulting with those groups or even advising any of those groups after the agreement was signed.

Many specialty societies have been working in good faith with Congress, the Administration and the AMA to develop a workable P4P system. Throughout 2005, representatives of our societies have been actively participating in the AMA's Medicare Work Group, which was established to help ensure information sharing and a unified strategy for addressing the physician payment update and P4P issues.

The AMA should have first consulted with the physician groups participating in the Medicare Work Group before signing this agreement. The AMA acknowledged the existence of this agreement only after we uncovered it ourselves. A more collaborative process is essential.

The AMA and the specialty societies have been united in their assertion that P4P is incompatible with the SGR system of reimbursing physicians. We have repeatedly called on Congress to fix or replace the SGR with a better system before it imposes a P4P system. In the December 16 document, the AMA agreed to the imposition of a P4P system without a promise of reforming the underlying payment system.

The agreement is incompatible with the framework that was agreed to in August 2005 by 50 medical organizations and the AMA (see attached letter to Chairman Thomas and accompanying framework document). This AMA/specialty society framework was a product of a serious collaborative process and reflected a realistic timeframe for developing measures.

The undersigned medical specialty societies, like the AMA, have advised Members of Congress and CMS that a mandatory value-based performance system presents a number of significant challenges, especially for specialty societies not yet prepared to move to such a system. We believe that a value-based purchasing system can only work if it is developed by individual specialty societies to reflect the realities of each area of care.

Many specialty societies will find it difficult if not impossible to develop "140 physician performance measures covering 34 clinical areas" by the end of 2006, or that their physicians will be prepared to report "at least 3 to 5 quality measures per physician" in 2007, as the AMA promised in the December 16 agreement.

This is particularly true if Congress does not prevent the 2007 payment cut. The agreement, though, does not win for physicians a guarantee of pay for reporting, a key element of the

August 2005 framework. Instead, it only asserts that physicians “should receive an additional quality update to offset administrative costs.”

Finally, the agreement appears to be contrary to current AMA policy in several significant ways:

- There is no requirement that the performance measures must first be successfully pilot tested before quality reporting is implemented, as is required in the Resolution passed at the December 2005 House of Delegates.
- P4P programs should be available to any physicians and specialties who wish to participate and must not favor one specialty over another, according to AMA policy. However, because of the unrealistic timeframe guaranteed in the December 16 agreement, physicians in many specialties will be unable to participate in the program.
- The agreement provides no guarantee that the quality reporting program will include financial support to cover the additional costs of participation.
- The agreement does not address the flawed SGR payment formula. The AMA, as stated in the Board of Trustees’ November 2005 letter to CMS Administrator Mark McClellan, not only opposes a voluntary value based performance system that did not meet its principles, but also insisted on an SGR fix and a positive update prior to any P4P system.

We agree that a commitment to a pay for performance program was a critical component to the agreement reached with the three Congressional Committee Chairs. We further recognize that our commitment to a phased in approach, undoubtedly was critical to congressional support of the agreement. Nevertheless, if the words “Together We Are Stronger,” are to have any meaning, they will only ring true if the AMA collaborates with specialty societies and the Federation to reform Medicare’s physician payment system and implement a performance-based program that will truly help physicians provide the best quality care for their patients.

Sincerely,



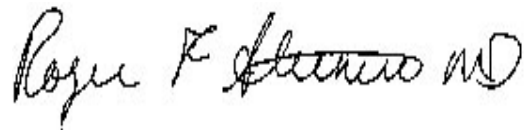
Frederick C. Blum, MD, FACEP, FAAP
President
American College of Emergency Physicians



Stuart L. Weinstein, MD
President
American Academy of Orthopaedic Surgeons



Michael T. Mennuti, MD, FACOG
President
American College of Obstetricians and Gynecologists



Roger F. Steinert, MD
President
American Society of Cataract & Refractive Surgery



Richard G. Ellenbogen, M.D., F.A.C.S.
President
The Congress of Neurological Surgeons



Jean-Jacques Abitbol, MD
President
National Association of Spine Specialists



Fremont P. Wirth, Jr., MD
President
American Association of Neurological Surgeons

cc: Michael D. Maves, MD, Executive Vice President, AMA
Richard A. Deem, Senior Vice President, Advocacy, AMA

August 23, 2005

The Honorable Bill Thomas
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

**Letters also sent to Reps. Barton, Brown,
Deal, Dingell, Johnson, Rangel & Stark**

Dear Mr. Chairman:

On behalf of the undersigned organizations we are writing to share with you a high level conceptual framework that proposes a phased-in approach to implementing pay-for-performance (PFP) for physicians and other health care professionals participating in Medicare. We are committed to working with Congress and the Administration to help develop a fair, ethical, patient-centered, and evidence-based Medicare PFP program.

The attached framework is the result of extensive work by organizations representing a wide variety of physician specialties and health care professionals. It is our belief that the only way PFP will be successful in Medicare is if it recognizes the great diversity of clinical practice in this country. Many of our organizations have shared with you very detailed principles outlining the necessary elements for PFP to work effectively. This framework is not intended to supersede these important documents but rather highlight areas of consensus in Medicine to provide you with our best sense of how Medicare might begin to implement PFP.

Fundamental to this framework is the recognition that Medicare today sits at a crossroads. Modernizing the way Medicare pays practitioners to help support quality care will not work under the existing Sustainable Growth Rate (SGR) formula. Medicare patient access is already threatened by projected payment cuts totaling 26% over the next six years. If implemented along side the SGR formula, PFP will only further penalize physicians and other health care professionals for providing the care necessary to keep their patients healthy. The SGR and PFP are inconsistent methodologies from both a conceptual as well as practical standpoint. Our organizations believe the SGR formula must be repealed if PFP is to be successfully implemented in Medicare.

We look forward to a dialogue on the attached framework.

Sincerely,

American Academy of Audiology
American Academy of Child and Adolescent Psychiatry
American Academy of Facial, Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Neurology

American Academy of Ophthalmology
American Academy of Otolaryngology – Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Academy of Physician Assistants
American Association of Clinical Urologists
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Association of Practicing Psychiatrists
American College of Cardiology
American College of Emergency Physicians
American College of Gastroenterology
American College of Nuclear Physicians
American College of Nurse Practitioners
American College of Obstetricians and Gynecologists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiology Association
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Directors Association
American Medical Group Association
American Nurses Association
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Physical Therapy Association
American Psychiatric Association
American Psychoanalytic Association
American Shoulder and Elbow Surgeons
American Society for Gastrointestinal Endoscopy
American Society for Reproductive Medicine
American Society for Therapeutic Radiology and Oncology
American Society of Addiction Medicine
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of General Surgeons
American Society of Hematology
American Society of Interventional Pain Physicians
American Society of Nephrology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Speech-Language-Hearing Association
American Urological Association

Association of American Medical Colleges
College of American Pathologists
Congress of Neurological Surgeons
Emergency Department Practice Management Association
Heart Rhythm Society
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
National Association of Spine Specialists
National Medical Association
National Rural Health Association
Orthopaedic Trauma Association
Pediatric Orthopaedic Society of North America
Renal Physicians Association
Scoliosis Research Society
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Critical Care Medicine
Society of Hospital Medicine
Society of Nuclear Medicine
Society of Thoracic Surgeons