

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

53rd INTERIM MEETING SAN DIEGO, CALIFORNIA December 5-8, 1999

CALL TO ORDER AND MISCELLANEOUS BUSINESS

CALL TO ORDER: The House of Delegates convened its 53rd Interim Meeting at 9:00 a.m. on Sunday, December 5, in the Marriott Hall of the San Diego Marriott Hotel and Marina, Richard F. Corlin, MD, Speaker of the House, presiding. The Tuesday session, December 7, and Wednesday session, December 8, convened in the Marriott Hall.

INVOCATION: Father Joe Carroll of the St. Vincent de Paul Catholic Church in San Diego delivered the following invocation on Sunday, December 5:

So let's just bow our heads for prayer. I have to call God on my cell phone. It used to be a local number. But now I am just dialing his room number. He likes the Marriott, too. Hope it gets me a free meal.

G-o-d. It's ringing.

"Hi, God. Yeah, it's me. Yeah. Yeah, Father Joe. Another convention. The AMA. No, no, no, not the Apple Marketers of America. It's the America Medical Association. Oh, the guys you gave that great healing power to, yes, yes. I know so many people keep saying, God, heal me, instead of saying doctors who know you are going to listen to them. Yeah, yeah, I could introduce you.

"You should see the list of awards they're giving out this morning. That's true. They're almost like saints, heroes that we should all emulate and follow and listen to.

"You think the gift of healing you gave them should be given freely to the poor. Uh-hum. I will second that. I will have my volunteer list outside.

"You are not happy with the weather in San Diego, either. But look what you did to them back in Texas. Really, you gave them a little snow.

"Well, God, I want to thank you for talking to me, but, you know, I am here to ask a blessing upon their Annual Meeting here, upon their deliberations, upon their training, and upon the gift you gave them, that they continue to bring it to those who are in ill health and continue to be the healing agent you sent throughout America.

So thanks for your blessing, God. Amen.

CREDENTIALS REPORT: On Sunday, December 5, Kevin T. Flaherty, MD, Chair of the Convention Committee on Rules and Credentials, reported that 478 out of 497 delegates (96.1 percent) had been accredited, thus constituting a quorum, and on Tuesday and Wednesday, 485 out of 497 delegates (97.6 percent) were present.

REPORTS OF CONVENTION COMMITTEE ON RULES AND CREDENTIALS: The following reports were presented by Kevin T. Flaherty, MD, Chair:

Sunday, December 5**HOUSE ACTION: ADOPTED**

Your Committee on Rules and Credentials recommends that:

1. House Security

Maximum security be maintained at all times to prevent disruptions of the House, and only those individuals who have been properly badged will be permitted to attend.

2. Credentials

The registration record of the Convention Committee on Credentials shall constitute the official roll call at each meeting of the House.

3. Order of Business

The order of business as published in the Handbook shall be the official order of business for all sessions of the House of Delegates. This may be varied by the Speaker if, in his judgment, it will expedite the business of the House, subject to any objection sustained by the House.

4. Privilege of the Floor

The Speaker may grant the privilege of the floor to such persons as may be presented by the President, or Chair of the Board of Trustees, or others who may expedite the business of the House, subject to objections sustained by the House.

5. Procedures of the House of Delegates

The December 1998 edition of the "Procedures of the House of Delegates" shall be the official method of procedure in handling and conducting the business before the AMA House of Delegates.

6. Limitation on Debate

There will be a 3-minute limitation on debate per presentation subject to the Speaker who may waive the rule for just cause.

7. Conflict of Interest

Members of the House of Delegates who have a substantial financial interest in commercial enterprise, which interest will be materially affected by a matter before the House of Delegates, must publicly disclose that interest before testifying at a reference committee on the matter or speaking on the floor of the House of Delegates on the matter.

Supplementary Report, Sunday, December 5**HOUSE ACTION: LATE RESOLUTIONS 1002, 1004, 1009 AND 1010 ACCEPTED**

EXISTING POLICY REAFFIRMED IN LIEU OF RESOLUTIONS 7, 110, 111, 202, 203, 207, 208, 209, 210, 211, 212, 219, 221, 223, 303, 402, 412, 413, 414, 506, 507, 601, 703, 705 AND 706

RESOLUTIONS 112, 121, 201, 205, 213, 214, 222 AND 702 REFERRED TO APPROPRIATE REFERENCE COMMITTEES

RESOLUTION 204 CHANGED TO RESOLUTION 719 AND REFERRED TO REFERENCE COMMITTEE G

LATE RESOLUTIONS

The Convention Committee on Rules and Credentials met Saturday, December 4, 1999 to discuss late Resolutions 1001 through 1010. Sponsors of Late Resolutions that are received prior to a week before the opening of the House of Delegates are informed of the time the Convention Committee on Rules and Credentials meets to consider Late Resolutions, 1:00 pm on Saturday, and the opportunity to present for the Committee's consideration the reason the resolution could not be submitted in a timely fashion and the urgency of consideration by the House of Delegates at this meeting. Sponsors of Late Resolutions 1002 through 1010 appeared to discuss their resolutions.

Because of the number of Late Resolutions, your Committee is including its recommendations on a consent calendar based upon whether or not the resolution met the criteria for consideration as a Late Resolution. Your Committee was informed by five of the sponsors who appeared that the reason for failure to submit the resolution prior to the deadline for acceptance of resolutions to be considered by the House of Delegates was administrative error on the part of the sponsor's staff responsible for transmitting resolutions to the AMA.

CONSENT CALENDAR

Recommended for Acceptance:

1. Late Resolution 1002 - Allocation of Tobacco Settlement Funds
Introduced by American College of Settlement Funds
2. Late Resolution 1004 - Medicare Reimbursement/HCFA-AMA RUC Relationship
Introduced by American College of Chest Physicians
American Thoracic Society
Society for Critical Care Medicine
3. Late Resolution 1009 - AMA Lawsuit Against HCFA Challenging Medicare Spending Projection Errors
Introduced by California Delegation
Florida Delegation
American Association of Neurological Surgeons
Congress of Neurological Surgeons
4. Late Resolution 1010 - HCFA, Y2K and the Uncertainty Principle
Introduced by American Society of Plastic Surgeons
American Association of Plastic Surgeons
American Society for Aesthetic Plastic Surgery
American Society of Maxillofacial Surgeons

Recommended Not Be Accepted:

1. Late Resolution 1001 - Traditional Fee-for-Service Option for Medicare Beneficiaries
Introduced by Maryland Delegation
2. Late Resolution 1003 - Medicare Payment for Psychiatric Diagnoses
Introduced by Connecticut Delegation
Maine Delegation
Massachusetts Delegation
New Hampshire Delegation
Rhode Island Delegation
Vermont Delegation
3. Late Resolution 1005 - Patient Privacy and Confidentiality
Introduced by Florida Delegation
4. Late Resolution 1006 - Support for the Bone and Joint Decade 2000-2010
Introduced by American Academy of Orthopaedic Surgeons

5. Late Resolution 1007 - AMA Member Communication Vehicle
Introduced by American Society of Anesthesiologists
6. Late Resolution 1008 - Drug-Specific Label Coloring
Introduced by American Society of Anesthesiologists

REAFFIRMATION RESOLUTIONS

The Speaker asked the Convention Committee on Rules and Credentials to review the recommendations for placing resolutions introduced at this meeting of the House of Delegates on the Reaffirmation Calendar. The Committee recommends that current policy be reaffirmed in lieu of the following resolutions:

1. Resolution 7 - Health Care Services for Conditions Resulting from Patient Behaviors
2. Resolution 110 - Telephone Medical Care
3. Resolution 111 - Home Health Care Plans
4. Resolution 112 - Medicare Reimbursement/Policy
5. Resolution 121 - Physician-Designated Telephone Access
6. Resolution 201 - Performance of Diagnostic X-Rays by Nurses Without Physician Supervision
7. Resolution 202 - Federal Government Health Panopsony
8. Resolution 203 - AMA Policy on Release of Medical Records
9. Resolution 204 - Creation of Model State and Local Medical Society Private Sector Advocacy Programs
10. Resolution 205 - ERISA Exemptions and Association Health Plans
11. Resolution 207 - Protection of Computerization of Medical Records
12. Resolution 208 - Office Based Occult Stool Blood Testing Reimbursement
13. Resolution 209 - Prohibit Mandatory Use of Hospitalists
14. Resolution 210 - Prohibit All or Nothing Insurance Product Requirements
15. Resolution 211 - Proposed Tax on Professional Societies
16. Resolution 212 - Violence in the Medical Workplace
17. Resolution 213 - Antitrust Treatment of Physician Joint Ventures
18. Resolution 214 - Persecution by the Department of Justice
19. Resolution 219 - "All Products" Contract Clauses
20. Resolution 221 - Health Care Fraud
21. Resolution 222 - Medicare Fraud Analysis
22. Resolution 223 - All Products Requirements in Participating Physician Contracts
23. Resolution 303 - Equitable Support for Graduate Medical Education at Children's Hospitals
24. Resolution 402 - Demonstration of Condom Use in High School Sexuality Programs
25. Resolution 412 - Cigar Smoking and other Forms of Tobacco Use
26. Resolution 413 - Education Students About the Hazards of Ultraviolet Light Exposure
27. Resolution 414 - Tobacco Cessation Programs for Children
28. Resolution 506 - Health Food Industry Regulation
29. Resolution 507 - Television Advertising of Prescription Drugs
30. Resolution 601 - Use of "Provider"
31. Resolution 702 - Compensation of Employed Physicians
32. Resolution 703 - Employment of Physicians
33. Resolution 705 - Independent Review Panel for Third Party Payer Quality of Care Disputes
34. Resolution 706 - The Good Medicine Act

Wednesday, December 8

HOUSE ACTION: ADOPTED

Your Convention Committee on Rules and Credentials wishes to commend the Speaker, Doctor Corlin, and the Vice Speaker, Doctor Knotz, for the outstanding manner in which they have assisted our deliberations by their fair and impartial conduct of the House of Delegates and to commend the members of the House for their cooperation in expediting the business before us.

Your Convention Committee wishes at this time to offer the following Resolution:

Whereas, The Interim Meeting of the House of Delegates of the American Medical Association has been convened in San Diego, California during the period of December 5 - 8, 1999; and

Whereas, This Interim Meeting of the House of Delegates has been most profitable and enjoyable from the viewpoint of policy deliberations and fellowships; and

Whereas, The City of San Diego has extended to the members attending this Meeting the utmost hospitality and friendliness; therefore be it

RESOLVED, That expressions of deep appreciation be made to the AMA Board of Trustees for arranging this Meeting, to the management of several participating hotels, to the City of San Diego, to the members of the Alliance who always contribute so substantially to our meetings, and to the splendid men and women of our American Medical Association staff who participated in the planning and conduct of this Interim Meeting of the House of Delegates.

DR. BENJAMIN RUSH AWARD FOR CITIZENSHIP AND COMMUNITY SERVICE: William F. Sprague, MD, was selected as the recipient of 1999 Dr. Benjamin Rush Award for Citizenship and Community Service in recognition of his 37 years of remarkable medical service in international and domestic hardship areas.

MEDICAL EXECUTIVE ACHIEVEMENT AWARD: The Medical Executive Achievement Award was presented to Virginia Q. Anthony, in recognition of her service as Executive Director of the American Academy of Child and Adolescent Psychiatry; and to Robert L. Darnedde and James A. Kronenberg, in recognition of their service as Executive Director and Associate Executive Director of the Oregon Medical Association.

PRESIDENT'S CITATION FOR SERVICE TO THE PUBLIC: The Jefferson County Medical Society, of Louisville, Kentucky, was selected as recipient of the President's Citation for Service to the Public for its establishment and operation of The Healing Place, a shelter for homeless people and an innovative program of care and recovery for chemically dependent, needy people in the Louisville area.

ISAAC HAYS, MD, AND JOHN BELL, MD, AWARD FOR LEADERSHIP IN MEDICAL ETHICS AND PROFESSIONALISM: Robert D. Orr, MD, was the recipient of the Isaac Hays, MD, and John Bell, MD, Award for Leadership in Medical Ethics and Professionalism in recognition of his service in medical ethics at the Loma Linda University Medical Center.

AMA FOUNDATION AWARD FOR HEALTH EDUCATION: The AMA Foundation Award for Health Education was presented to Elaine J. Alpert, MD, MPH, for her service in health education and community outreach in the area of family violence.

SPECIAL AWARD FOR MERITORIOUS SERVICE: T. Reginald Harris, MD, was the recipient, posthumously, for the first Board of Trustees' Special Award for Meritorious Service, in recognition of his exemplary leadership and character exhibited in many years of devoted service to organized medicine.

ADDRESS OF THE PRESIDENT: The following remarks were presented by Thomas R. Reardon, MD, President of the American Medical Association, on Sunday, December 5:

Mr. Speaker. Ladies and gentlemen. Members of the AMA House of Delegates - Good morning.

Halfway through the year - and here we are. Gathered for the 201st meeting of this historic AMA House of Delegates. And what a year it has been! With more successes in these six months - than medicine has enjoyed in a very long time.

When I spoke to you in June, I told you I wanted us to keep medicine strong for our children and grandchildren who follow us. And today, we are well on the way to doing just that.

I don't have to tell you that we've won a tremendous victory in Washington this year - in the form of a piece of legislation that has been our focus for five long years and more.

Today, the Patients' Bill of Rights is one step closer to becoming a reality. Closer, in fact, than it has ever been before.

The passage of the Norwood-Dingell bill in the House was a great triumph for patients, and one of the greatest pieces of AMA advocacy ever to emerge from the corridors of Congress.

We won in spite of the fact that the insurance industry mounted a \$100 million dollar advocacy campaign just to try and defeat us. One hundred million dollars that should have gone for patient care. And with that, proved how very afraid they are - of a simple little concept called "accountability." In other words, holding them responsible when they take medical decisions out of the hands of physicians - and our patients are harmed as a result.

And ladies and gentlemen, those insurance companies should be afraid - because polls show that 70 percent of Americans - our patients and their beneficiaries - support the right to sue their health plans. They support accountability.

Our patients are asking the same question we are about the current state of affairs: Is it good medicine? Because it's as simple as this: The American people are fed up. They want change. And they are trusting the AMA to lead the way.

When I was on my way to the World Medical Association meeting in September, a woman approached me on the airplane in Germany. She walked right up and said: "You've been working with the Patients' Bill of Rights, haven't you?"

I said yes, I had - as I wondered how she could know that halfway around the world from home. And then, she explained. She had just seen my picture on the front page of the paper, standing with Congressmen Norwood and Dingell on the day after the House bill passed.

And as she reached out to shake my hand, here's what she said: "On behalf of the American people, I want to thank you. And I want to thank the AMA."

A few days later, I was traveling to speak at a symposium sponsored by the Robert Wood Johnson Foundation at Northwestern University in Chicago. My seatmate on that plane saw what I was working on. And leaned over and said, "I really hope that Bill of Rights passes. I'm scared to get sick - and I'll tell you, so are most of my friends."

Ladies and gentlemen, when people in airports and on airplanes start to approach you out of the blue - have no doubt about it - the American people are getting the message. And they stand alongside us in this most important of all fights:

- The fight to return medical decision-making to the hands of physicians.
- The right to a strong, external, independent and binding appeals process.
- Protections that cover all Americans who are in managed care plans.
- And perhaps most important of all - the right for patients to hold those plans accountable when they make medical decisions that result in negligence - and our patients are injured because of it.

I am often asked why 68 House Republicans supported the Norwood-Dingell Bill of Rights. And this is what I say: because they knew it was the right thing to do - and they are listening to the voters. And - they want to return to Congress after the fall 2000 elections.

Because in the end, this is not a Republican issue. It is not a Democratic issue. It is a patient issue. And the AMA has made it clear: We will not stop until the Patients' Bill of Rights becomes the law of the land.

And if Congress does not do the right thing and pass a strong Patients' Bill of Rights in early 2000 - we will continue our fight into the Fall 2000 elections and beyond.

Right now, the House bill that we supported and the Senate bill we opposed are in conference. And as I'm sure you know, before the recess, the Speaker of the House appointed his conferees to the committee. Hand-selected, by and large, from those congressmen who did not support the Norwood-Dingell bill. It's plain old political shenanigans at work.

However, their fellow Representatives have made it clear - through an overwhelming bipartisan vote - that they agree that the Norwood-Dingell bill should become the law of the land.

But those aren't the only shenanigans we're seeing in the wake of our success. Because as you know, after the vote on patients' rights, another bill that is near and dear to us - the Campbell bill - was summarily pulled off the agenda by the Speaker of the House.

The Campbell bill would finally give self-employed physicians in this country the right to collectively negotiate with health plans.

A majority of the House Judiciary Committee has co-sponsored the Campbell Bill. What's more, 173 Representatives are now co-sponsors.

So when the media asked me whether the Speaker had acted in retribution by pulling this bill - because of our strong support for the Patients' Bill of Rights - here is what I told them:

"You will have to ask the Speaker of the House what his motives may be. But I can tell you this: We will not be intimidated. We will not be threatened. We will not be blackmailed. We will do what is right. For the physicians - and the patients - of this country."

Now, in an apparent about-face, the Speaker has recently promised that the Campbell bill will be back on the early part of the agenda when Congress reconvenes. And we're going to hold his feet to the fire - and hold him to that promise. And we need you to do the same.

That's why we need your help. You and your colleagues back home need to contact your Representatives in Congress to request that they vote for the Campbell bill when it comes to the floor in February. Tell them it's time to do the right thing.

And the same goes for Congressman Bliley, and his sudden threat to open the National Practitioner Data Bank to the public. As you know, we've opposed opening the Data Bank for a long time - and so, incidentally, has Congressman Bliley's party up to now - because the information it contains just doesn't give the public a clear picture of the quality of care a physician provides.

In fact, the Institute of Medicine report on medical error that was released just this past week says it flat out: the right way to deal with medical error is through initiatives like the National Patient Safety Foundation. Programs that help find out how error occurs and find ways to make it better - not a laundry list of incidents offered without context or explanation.

So when the media asked me whether I thought this latest push to open the Data Bank might be some kind of short-sighted retaliation or punishment, as well - this was my answer:

"If that is the motivation - to punish us - and if that's what a political party does to constituents who disagree with them - then we've come to a pretty sad state of affairs in this country - and in the political process of America."

But while we wait for Congress to act, the marketplace is already responding to our strong public advocacy for the Patients' Bill of Rights.

Last month, UnitedHealth Group - the country's second-largest HMO - made a major announcement. In fact, they said they were going to do something truly extraordinary - they were going to place medical decision-making back where it belongs: back into the hands of those who are trained to provide it. Back into our hands - the hands of physicians. Right where we have always said that it should be!

Why did they do it? Because UnitedHealth discovered they were actually spending more to scrutinize and micromanage our medical decisions than they saved in the process. And in the end, this, too, was as simple as what we've been telling everyone to do in every area of the health care debate - just ask "Is it good medicine?" - and see where the question leads you.

But even if they followed our high principles for a purely practical reason - in a word, economics - here is the real bottom line: the managed care industry is listening. And that is not only a major victory for medicine - it's a great victory for patients.

In fact, the *Wall Street Journal* said it was nothing short of "a watershed event in the history of managed care that may well spur similar action from other managed care plans." And they may be right. Because just this past week, Karen Ignani, the CEO of the American Association of Health Plans, issued a memo to 1,000 health plans about the public reaction to the UnitedHealth Group's decision.

She said it "has created an extraordinary opportunity for health plans to change the dynamics confronting managed care - if [they] have the foresight to take advantage of it." In fact, she even said she'd be seeking a meeting with our AMA to address patient and physician managed care concerns.

Now, we're not naïve - we don't think we've achieved a cure-all. This decision doesn't address mental health, for one thing - and that's a major issue. And we're also on the lookout to make sure that retrospective denials do not now become a kind of perverse substitute for pre-authorization review.

But even as a first step, the implications are very clear - our work in Washington is paying off. The Patients' Bill of Rights will make a difference in the practices of today's medical marketplace. In fact, it already has.

But while the Norwood-Dingell bill of rights would apply to every patient covered by a managed care plan in this country - we know there are still far too many patients who have no coverage at all.

Our past president, Dr. Dickey, made health care coverage for all Americans an AMA priority - and a national one. You may remember last June, when our AMA joined with a coalition of six of the largest specialty societies in organized medicine to push this issue onto the national agenda.

We felt then - as we do now - that it was vital for our medical profession to state their commitment to this important issue. And in June, I promised Nancy Dickey - and you - we would continue this work. Today, I'm happy to report that we have.

But as you know, this issue is larger than medicine alone - or even the 44 million uninsured patients at the heart of it. That means it will also take the committed efforts of others outside our ranks - to get the job done.

That's why, at the end of October, along with a team of co-conveners, our AMA inaugurated an historic gathering we called the Health Sector Assembly with this one aim in mind: to focus the attention of key stakeholders across America on the urgent need to find a way to provide health care coverage for all Americans.

Leaders from more than 50 organizations - representing every phase and factor in American society - from the AMA, speaking for physicians, to the managed care and the pharmaceutical industries - to government, academia, patient groups and think tanks.

We didn't meet to find solutions - but first, to learn whether there was the will to find those solutions. And it seems that there is. A commitment to make it happen, from some of the most influential groups in our nation.

I won't list all of the principles we agreed on - just enough to speak to how they resonate with the vital work we've done here, in this House for a decade and more:

- First, that we must look on health coverage for all as an investment - in the infrastructure of our country - the people - the health and the future of our nation.
- Next, that there is no magic bullet - and it will take multi-faceted, stepwise solutions to assure coverage for all of America's patients.
- And that the public and private sectors will have to work together to make it happen.
- But above all, that we must preserve what is best about American health care as we extend coverage to all Americans - and that we must do it without jeopardizing the 85 percent of patients who do have coverage now.

- It's a tall order. But the Health Sector Assembly advanced the conversation to the next level. It showed there is the will to get the job done - and that's the next step in making our AMA goal of health care coverage for all Americans a reality for our nation and our patients.

Because that is the American way - if we can find the will to do something, then we can and we will find solutions. And that leads me to the final item I want to talk to you about today:

A brand new activity that's set to debut just in time to impact the primary elections.

It represents what may be the most sweeping advocacy action in all of AMA history - aimed at placing health care issues squarely on the American agenda - and on the platform planks of every Presidential hopeful in the 2000 race.

Issues like the ones we've been talking about this morning:

The Patients' Bill of Rights. Health care coverage for all Americans. Along with other key concerns - like Medicare reform. And issues surrounding the health of the public.

It's a chance to ask "Is it good medicine?" in every primary and polling place in the land. And that's exactly what we intend to do.

We plan to announce this effort nationally within days of this very meeting - so stay tuned - because you're going to see and hear a lot about it between now and Election Day 2000.

Why are we doing this? Because for a long time, the powers-that-be in politics and the marketplace have been trying to drive the shape of American health care. And it's time for us as physicians to take back the driver's seat.

Ladies and gentlemen, this nation is on notice - we intend to take control of our issues and shape the health care debate in the most public way possible: by defining the health care choices for the presidential candidates. And making sure that no candidate will be elected to the White House next November - without a solid commitment to the issues that mean the most to patients and physicians - and to the health of our country.

There's just one catch to this fantastic plan - we can not do it without your help. We're going to need your help to make this vision a reality.

And just like our successes with patients' rights - and just like the Campbell Bill - this plan won't work unless you're a part of it.

You are what you champion. That's our message to the candidates. And it is my message to you. Today, as we stand on the threshold of the 21st Century, it is time to champion our future and the future of our nation, not one physician or one patient or one issue at a time. But all of us working together, to advance the full range of goals that lie before us.

Our unity this year has proven exactly how much we can achieve when we stay together - and how very powerful we can be - not only in our own eyes and the eyes of our patients, but in the eyes of decision-makers everywhere.

As we move forward with our AMA agenda - let me remind you:

When we speak with a united voice, we are listened to.

When we are divided, we are ignored.

When we are united, we are powerful.

When we are divided, we are weak.

When we are united, we can - and we do - win

When we are divided, we often lose.

Ladies and gentlemen, the physicians and the patients of this country need us to be strong, united and visionary advocates -

So that we can provide our patients the necessary and appropriate care they need and deserve.

APPROVAL OF MINUTES: The Proceedings of the following meetings of the House of Delegates were approved:

- 51st Interim Meeting, held in Dallas, Texas, December 7-10, 1997
- 147th Annual Meeting, held in Chicago, Illinois, June 14-18, 1998
- 52nd Interim Meeting, held in Honolulu, Hawaii, December 6-9, 1998
- 148th Annual Meeting, held in Chicago, Illinois, June 20-24, 1999

REPORT OF THE EXECUTIVE VICE PRESIDENT: The following remarks, in addition to the printed Report of the Executive Vice President, which follows his comments, were presented by E. Ratcliffe Anderson, Jr., MD, Executive Vice President, on Sunday, December 5:

Eighteen months ago I stood before you for the first time in Chicago and spoke about my personal vision for what the AMA should stand for.

I presented that vision in four, short, one-word qualities. Those qualities are:

Leadership. Integrity. Service. And trust.

And I stand here today to tell you the good news - how those four qualities continue to personify the actions and accomplishments of our AMA today. As they have all through our illustrious 152-year history.

And those positive qualities remain our moral compass - our true north - that keep us on course toward our goals. And we are reaching them - as Tom has told you and I'll tell you - in no uncertain terms.

But before I get too involved in talking about all the additional successes we have to celebrate today - I want to tell you about an encounter I had this past fall.

Soon after the Senate vote on the Patients' Bill of Rights, I was lucky enough to be at the Ryder Cup - and at dinner after the golf tournament - a friend of mine introduced me to Senator Don Nickles. Now, as you know, Senator Nickles is a Republican from Oklahoma, the Assistant Majority Leader of the Senate - and a very influential man.

My friend introduced me to him as: "Andy Anderson, the EVP of the AMA."

The Senator said, "I know. And I'm not very happy with the AMA these days."

So I said right back to him, "I know, Senator. And you need to know that the AMA is not very happy with you, either. The bill your party passed out of the Senate - was a sham. It doesn't protect patients - it protects the insurance industry."

I told him that we'd had any number of physicians calling the AMA to tell us that they're not happy with the Senate bill - and that their patients aren't happy, either.

And then I told him: "I know you don't care about 750,000 physicians, but you'd better care about 280 million patient voters."

And then I went on to tell him that I had this same conversation with Newt Gingrich in September of 1998 - and where is he now?

What this story reminds me of is that we're doing what we're doing - not for politics, not for headlines, nor for the greater glory of ourselves and our practices. No, we're striving to accomplish the goals of medicine - to define them for ourselves and to provide them for our patients.

And that's leadership. That's integrity. That's service. And all those fine qualities that give our patients and our colleagues reason to invest their trust in us again.

Today, there are many good reasons to look to the AMA as a leader. In fact, we're awash in good news this morning - so much so that we've had to put together a delegate's "action pack" to cover it all.

The “action” part is to remind you that good news - is best when it’s shared. Which is why we’ve put it all together on one CD-ROM and in other formats - so you can take it back home and share it with your colleagues.

You’ll be able to preview the Good News slide show on that CD outside the hall right after this session. And the packet itself will be supplied for you on Wednesday morning, just before the meeting ends - so you’ll have a tool for telling the good news story to your constituents when you go back home.

Take it home. Use it. And let our members and potential members know what the AMA has done for them this year.

One of the major “good news” items I want to share with you this morning - is membership. Because our numbers - are going up! We’re at 292,700 members as I talk to you this morning - exceeding our goal for 1999. We’re at 98 percent of the maximum number of members we’ve ever had.

Clearly, we’re reversing the decline. And that’s thanks to all of you. Along with the strong contributions of the Board of Trustees Committee on Membership and the House of Delegates Task Force on Membership. With special thanks to the medical students - who were such a key part of our success this year, too.

But we’re not stopping now. Our new goal - the new target - is 300,000. And we can do that. With your help, we’re going to get there.

There is one offset, though. Because some of the pilot programs we’ve used to bring newer members on board have tested lower membership rates. Which means - as Dr. Coble will tell you in Reference Committee F - that our dues revenues aren’t as strong as we’d hoped, or as the member numbers themselves.

The point is - we’re excited by our progress on membership. And if we all keep doing our jobs as recruiting posters - then as the numbers go up, the revenues will follow.

We’re also going to propose to you an initiative already approved by the Board - to create a new category for non-voting international members.

We’re the biggest medical association in the world - and growing - and overseas physicians want to be a part of what we do. They want that because of our ethics, our standards and our commitment to excellence. Indeed - our leadership! Let’s give it to them.

Whether here or around the world, never underestimate the importance of membership - it’s the cornerstone of who we are. It’s the fuel for the engine of AMA success. That’s why we will continue to implement innovative strategies to bring more and more physicians into the fold of what we do. Because members give our AMA a strong voice - and a strong voice gives our AMA members results.

In fact, our voice is being heard today, like never before. I know Tom Reardon has told you a lot about our victories in Washington this year - but there’s one more I just have to tell you about: the good news on the improved Medicare Sustainable Growth Rate - the SGR.

The 5.4 percent payment update - the maximum allowed under the law - is the biggest across-the-board increase in Medicare payment rates since the first RBRVS payment schedule in 1992.

But here’s the biggest news of all. While we got the new update, HCFA still hasn’t made right what’s gone before. So on Thursday, on behalf of AMA members, our General Counsel filed a federal complaint - a lawsuit - against Health and Human Services Secretary Donna Shalala - for the \$3 billion dollars HHS has shortchanged America’s physicians with their flawed formulas. By my rough estimates, that’s \$4,600 to each physician in this country - or enough to pay AMA dues for 10 whole years and more. So, we’re fighting to fix that - and to help you get what you deserve. And we’ll keep you up-to-date with our progress in this very important case.

There’s another case you should know about. Because you know we’ve been working hard to get HCFA to fix their fraud and compliance programs.

Well, now we're taking it one step further - we're challenging the constitutionality of the False Claims Act itself. The Association of American Medical Colleges and the American Society of Anesthesiologists are working with us. And together, we're trying to stop the stream of cases filed by individuals for their personal gain - alleging that we physicians are trying to defraud the government.

We're also having success in helping individual physicians who've been audited for fraud to roll back onerous HCFA and carrier decisions. And - we also continue to push E & M issues. The word is that Y2K and other concerns have had HCFA all tied up. But we want you to know, that we'll continue to be relentless in our dealings with them - representing your concerns with E & M.

And speaking of Y2K, how many of you are ready for January 1st? I hope all of you.

For the past eighteen months, our AMA has been making a concerted effort to urge physicians to bring their practices into Y2K compliance. And you can be assured that we've done all in our power to protect our patients and our profession from the risk associated with the Y2K conversion.

Our headquarters is all set, with the final preparations in progress.

And if you haven't already checked your practices - especially your referral and claims/billing software and hardware - you have just 26 days left to make sure you protect yourself - and your patients. Take the time - and make sure that your system is compliant and ready.

And have you heard about our new Internet initiatives: Medem.com and digital credentialing?

The AMA Digital Credential activity will give physicians electronic credentials - a way to keep patient information secure, but still capitalize on the speed and flexibility of the World Wide Web. With this new tool, it will be possible to verify that those who identify themselves as physicians over the computer really are physicians, in order to ensure the confidentiality of our patients' information.

Our other new cyberspace venture is Medem.com, a web site that will pool the knowledge resources of the AMA and six other physician associations to provide consumers with reliable, high quality health care information. And the public and media response has been just tremendous.

We're looking toward the future as well with AMAP. As you know, it is our hope that AMAP will become the true universal "gold standard" of physician practice - a key part of professional standard-setting and physician education.

We've retained the Medstat Group, a Michigan-based company chosen for their expertise in collecting and managing health care information and databases across all sectors of the health care industry to help us reach that goal. Medstat will work with us to realize AMAP's full potential by lowering operating costs, by seeking out market needs and opportunities and improving AMAP service to existing and future AMAP customers.

On another front, as you know, we've created an important new opportunity for employed physicians. Something you wisely told us you wanted back in June - and I'm pleased to report that today it is a reality.

The AMA-created national negotiating organization - Physicians for Responsible Negotiation - PRN - had its formal launch just 11 days ago. Under the direction of its new president, Dr. Susan Adelman - PRN stands ready to help embattled physicians who need assistance in negotiating with headstrong employers.

PRN will honor the highest standards of medical ethics and professionalism - and will accomplish its goals without strikes or actions that withhold essential medical services. We're excited about PRN - and the needed help it will provide.

And PRN is especially important and timely now - with last Monday's NLRB decision to recognize resident physicians as employees - albeit employees-in-training. The NLRB ruling means that 95,000 resident physicians are now eligible to negotiate collectively. And thanks to the presence of the PRN - a true physician's organization - residents who choose to collectively bargain won't have to turn to the AFL-CIO, the Teamsters or the meat cutters to do it.

But the PRN is just part of our larger Private Sector Advocacy efforts that are getting results for physicians and their patients.

Our challenge of the Aetna/Prudential merger earlier this year - led to the Department of Justice forcing Aetna to divest some of their holdings in Texas. And submit to special oversight in New Jersey. And we'll continue pushing for action to address similar market domination issues elsewhere.

Meanwhile, we are also working with our state, local and specialty societies to tackle managed care issues, including onerous "all-products" clauses, clause editing and prompt payment.

Another highlight this year has been the hiring of our brand new JAMA editor - Dr. Catherine DeAngelis. Dr. DeAngelis has been a leader in the Johns Hopkins University School of Medicine, in addition to being an outstanding editor of our AMA's Archives of Pediatrics and Adolescent Medicine. And we're all certain that she will do a terrific job as editor of JAMA. And in making the world's greatest family of medical journals even better. Cathy, would you please stand and be recognized by the House of Delegates?

Finally, I do want to report one more bit of good news. Our investment in the "Is it good medicine?" initiative has met with extremely positive results all over the nation - and even international interest.

In fact, when I was in Tel Aviv this past fall for the World Medical Association, a physician came up to me just to tell me that the "Is it good medicine?" message we've been spreading - is "the best thing the AMA has done in thirty years."

In the past few months, we have spread this initiative far and wide with tailored "Is it good medicine?" messages in Georgia, Iowa, Michigan, New York, Oklahoma, Texas, Connecticut and other states - including right here in California. And, as Tom Reardon told you, we intend to bring "Is it good medicine?" and the AMA's leadership right into the midst of the presidential campaign through an innovative initiative you'll be hearing more about in the next week or so.

And we'll be keeping all of you and your constituencies well-informed about this effort and more - through some new communications vehicles coming from our expanded Member Communications department. I hope you've had a chance to read one of our new targeted print publications - or that you're keeping up-to-date through one of our two new electronic newsletters. There's so much good news to communicate.

Here at our 201st meeting of the House of Delegates, I think we can all congratulate ourselves. Our accomplishments and our goals offer organized medicine so much to be proud of - not just for what we have achieved, but more so for what we are about to achieve.

Through 152 years, our AMA has acted with leadership and integrity, provided service - and inspired trust - within our profession, throughout our nation - and, in fact, throughout the world.

AMA advocacy and actions have created a bright future for America's patients and their physicians. And our ethics and standard-setting are essential and unequalled.

I urge you to share these accomplishments that Tom Reardon and I have told you about today - with your colleagues and constituencies - through the materials we are providing for you in Wednesday's delegate action pack.

Let's recognize - and celebrate - these accomplishments. And do our best - working together, partners in a mission that's greater than all of us - to continue to make that good news happen.

1999 has been a banner year for our AMA - and we're well-positioned for more big wins in 2000.

We stand ready to carry Patients' Rights and the Campbell Bill - that final yard to victory. Ready to engage the presidential candidates in discussion about the important health care issues that have been ignored for far too long. And ready to build on the success of this year's membership efforts - strengthening our ranks in this country and even abroad - in short, ready to do whatever the patients and physicians of America need - to create a vital and vibrant AMA and a stronger American health care system in the 21st Century and beyond.

Ladies and gentlemen - we're on the move.

We've got energy and momentum - more than in many a season. And it's our playing field now.

We have run the ball the full 99 yards - and now it's time to score.

As always, thank you for all you do for America's patients and their physicians.

REPORT OF THE EXECUTIVE VICE PRESIDENT

INTRODUCTION

On behalf of the officers and Trustees of the American Medical Association, I welcome you to San Diego for the 1999 Interim Meeting - and the 201st meeting of the House of Delegates.

Eighteen months ago I stood before you for the first time in Chicago and spoke about my personal vision of what the AMA should stand for. I presented that vision in four, short, one-word qualities: leadership, integrity, service and trust.

Today I can share good news. Those four qualities continue to personify the actions and accomplishments of our AMA today, just as they have during our 152 years as an association. These positive qualities remain our moral compass and are helping us reach our goals.

The AMA is driven by the need to define the goals of medicine and to accomplish them for our patients. Leadership, integrity and service are the qualities that give our patients and our physician colleagues reasons to invest us with their trust. And our adherence to those qualities is paying off.

As this document reflects, 1999 has been a tremendously successful year for the AMA. This report gives many examples, including much more detailed information about what each department at the AMA is doing to contribute to our success. I encourage you to read the complete report. But as an overview, let me refer to some of the highlights - good things that are happening as a result of the hard work of your AMA staff:

Membership. Our AMA numbers are going up. For the first time in several years, we are reversing the decline in membership - ending the year with more members than when we started. We have now posted more than 292,700 members for 1999.

Patients' Bill of Rights. The Washington, D.C., publication *National Journal*, labeled the passage of the Norwood-Dingell bill in the U.S. House of Representatives: "the AMA's most influential victory in 20 or 30 years."

Medicare Sustainable Growth Rate. The 5.4 percent payment update - the maximum possible update under the law - represents the biggest across-the-board increase in Medicare payment rates since the RBRVS payment schedule began in 1992.

Antitrust relief. At the close of the first session of the 106th Congress, a majority of the House Judiciary Committee and 173 representatives were co-sponsors of the Campbell-Conyers bill - which would allow health care professionals to negotiate collectively with health plans regarding terms that affect patient care.

Physicians for Responsible Negotiation. In the few short months since the Annual Meeting in Chicago, PRN has organized its board, developed its constitution and by-laws, and begun the research needed to offer the best professional services possible to those groups of embattled physicians who need help negotiating with headstrong employers. Following the recent NLRB decision, PRN is poised to assist the 95,000 resident physicians who, now classified as employees, are eligible to negotiate collectively.

Health Sector Assembly. The AMA recently brought together leaders from more than 50 organizations representing physicians and other health care professionals, consumer groups, government, business, academia, think tanks and the insurance industry to tackle the difficult issue of providing health insurance to all Americans. The event resulted in a set of premises and principles that will allow forward movement on this essential issue.

“Is it good medicine?” Through advertorials and op-eds - in both local and national newspapers - we have asserted AMA ownership of key advocacy and public health issues - including access to health insurance, patients’ rights, physician negotiating and school violence.

New *JAMA* editor. Dr. Catherine D. De Angelis was recently named the new editor of *JAMA*. Under her leadership, *JAMA* will continue to maintain its standard of editorial excellence into the 21st century.

AMA online. The AMA is leading the way in ensuring the quality, accuracy and reliability of medical information on the Internet. Two major initiatives - digital credentials and medem.com - will help physicians and patients effectively and dependably harness the power of the Web.

EPEC. The AMA’s Education for Physicians on End-of-life Care project is the only program available that offers physicians all of the practical information needed to be competent in caring for patients at the end of their lives. This year all AMA members are receiving the curriculum on CD in their membership kit.

These are just a few highlights of a report that offers a comprehensive look at AMA activities this year. Please read on for more details, and thank you for your participation as a valued member of the AMA’s House of Delegates.

MEMBERSHIP AND INFORMATION SERVICES

Membership Sales and Strategy Development

This year has been a year of change for the AMA, especially in the way we have approached membership. We completely reorganized our staff membership group, and we committed ourselves to excellence in member service and two-way member communications.

We also began the year by developing the first, AMA-wide membership business plan. This plan established the membership objective for 1999 of 291,000 members by the end of the year. We have now exceeded that six weeks ahead of schedule.

By November 4, we had posted 292,249 AMA members for 1999! For the first time in several years, we will end up the year with more members than we started. This was our goal for the year, and we will surpass that by a comfortable margin.

This membership business plan helped launch a new strategy based on the professional life-cycle approach. This focuses our activities on key stages in the careers of physicians (e.g., medical students, residents, young physicians, mature physicians and senior physicians), moving us away from the “one size fits all” approach of past years.

We had great support from many physicians who participated in our outreach programs, and many of our partners in the Federation played a major role. For the first time, we succeeded in taking an advocacy message (Physicians for Responsible Negotiation) and leveraging that into increased memberships that we can actually monitor, measure and evaluate.

Successes in Membership

We will finish the year with a 10 percent increase in the number of physicians returning to the AMA after having left us for one or more years, after completion of residency. This is a clear sign that we have been able to rebuild some bridges. Our membership promotions have connected with many physicians who were unhappy with us, for one reason or another, and they have decided to give us another chance. Resident Physicians also have been returning to the AMA above last year’s rate.

Our acquisition of new members in all professional life stages is up 22 percent over last year.

We are particularly pleased with the great success this year among medical students. Our retention rate among medical students is up over that of the past several years, and medical school chapter recruitment set new records for us. This is especially important because medical students represent the future of the profession.

Negatives in Membership

The biggest disappointment is that our actual overall retention rate dropped about 1 percent, leaving it at 85 percent for the year. (Nationally the median retention rate for large associations is around 75 percent.)

Retention is an area where we'll continue to focus in 2000. We now have developed statistical profiles of members "at risk" of dropping their membership, and we will work hard to keep this from happening.

We also had difficulty recruiting and retaining young physicians (under the age of 40). Everyone is experiencing problems in this area, but we believe that given time, our new life-cycle approach will help a great deal here.

Membership Pilot Projects

We had mixed results with the pilots begun in 1999. Our cooperative program with the Massachusetts Medical Society, where full dues-paying members could join both societies for one low fee, led to an increase of 678 members. This was due to the strong joint efforts with the Massachusetts Medical Society in cross-promoting this membership.

On the other hand, the "Tiered Pilot" in Maine, New Hampshire, North Carolina, Oregon, Puerto Rico and Vermont did not lead to membership growth. This pilot was developed in response to research showing that physicians prefer having a choice of membership benefit and dues packages. Three options were offered in these states, but overall membership declined by 2 percent. With the prospect of further decline next year, this pilot was discontinued. Preliminary data suggest that our incentive programs in Michigan and Connecticut are producing good results.

In aggregate, our pilot results demonstrate the absolute necessity and importance of developing and nurturing long-term cooperative relationships with our Federation partners.

Planning for Membership Growth

A key driving force in 1999's membership growth was implementation of the first step of a multi-step process deliberately crafted by the Board Committee on Membership and the Membership staff (i.e., the first, AMA-wide membership business plan that was mentioned above.)

To prepare us for 2000 and beyond, participants from many AMA units began in late August to build on this plan and have developed a five-pronged strategy to guide membership promotion tactics. These strategies include:

- Customizing products and communications based on a detailed understanding of member needs;
- Leveraging the strong public recognition of the AMA brand;
- Developing strategic alliances and partnerships to promote membership growth;
- Committing to operational excellence; and
- Encouraging peer-to-peer acquisition and retention.

We are reviewing all our activities in light of these strategies, enhancing those that fit and reducing those that do not. We tested several new targeted promotional mailings in 1999 that, if successful, will be continued. Several of these were in close cooperation with Federation partners. New retention and recruitment pilot projects are being developed for 2000. We are confident that a continual learning process is at work here that is helping fuel sustained membership growth.

But still we are facing many important membership problems. What we have done this year is to stymie the continual membership decline of the past. We have started a turnaround, demonstrating that with a concerted effort and with everyone's input and cooperation, we can succeed. But we have a lot of very hard work ahead of us. We have to expect that there will continue to be "bumps in the road."

Membership and Federation Relations

State and County Relations - State and County Relations continues its goal to strengthen its interaction with state and county medical societies. This unit will continue to improve upon the relationships that are essential to AMA programs and initiatives within budgetary limitations. Working with all AMA operating units, State and County

Relations will reemphasize the importance of reasonable and effective relationships with the Federation. This unit will continue to provide Board of Trustee members and senior staff support and relevant information for interactions with the Federation.

Specialty Societies - The Office of Specialty Society Relations directs the AMA's liaison with the nursing community and 98 specialty societies seated in the House of Delegates. Through the President's Forum, the Specialty and Service Society (SSS) and the AMA/Specialty Society Allocation Ballot, the AMA brings together the leaders of organized medicine to discuss timely and critical issues, and provides specialty societies with expanded opportunities to influence AMA policy.

Group Practice Liaison - A new director was hired to manage the Office of Group Practice Liaison in August. The alliance with the Medical Group Management Association (MGMA) was re-energized during a joint meeting where it was agreed that both organizations would work more collaboratively in areas such as the National Leadership Development Conference, Communications, and the AMA Consultant Network. Work also continued with The IPA Association of America (TIPAAA) and an agreement was reached to cosponsor a series of sessions on group practice solvency around the country in 2000. The Office also began to focus on enhancing communication mechanisms by increasing the frequency of "Group E-News," introducing "Med.Edu News" with the Medical Education Section, and beginning to develop an Internet site. Tentative arrangements also were reached with AMA Solutions to offer those groups with at least 80 percent membership one free educational seminar each year. The Group Practice Advisory Committee continued its advisory role to the BOT by working closely on the development of the PRN.

2000 National Leadership Development Conference - The 2000 National Leadership Development Conference (NLDC) will be held March 25-28 at the Fontainebleau Hilton Hotel Resort in Miami, Florida. The Conference theme is: "Is it Good Medicine?: A Time to Lead; A Challenge to Serve." Overall, the conference will provide an in-depth look at the profession and the practice of medicine while building upon leadership skills needed for tomorrow - the 21st Century.

PUBLIC AND PRIVATE SECTOR ADVOCACY

Federal Legislative and Regulatory Activities

Patients' Bill of Rights

Legislative Activities

Harvard University's Robert Blendon labeled the AMA's House patient protection victory as "the AMA's most influential victory in 20 or 30 years." The Norwood-Dingell "Patients' Bill of Rights Act of 1999" strongly reflected HOD policy on such issues as information disclosure, anti-gag practices, prudent layperson's standard for emergency services, independent external appeals and ERISA reform. The AMA successfully lobbied for passage of the bill on four straight roll call votes. The AMA will conduct an aggressive campaign to influence House-Senate conferees, which will be a challenge. House Speaker Hastert appointed 13 conferees, of which only one voted for the bill and one was absent. Conferees are expected to meet next year. Earlier, the Senate passed a bill that is grossly inadequate concerning patient protections.

Regulatory Activities

ERISA Regulations - The Department of Labor (DOL) issued proposed regulations to reform ERISA health plans' internal claims and appeals procedures to comply with President Clinton's executive order that agencies implement patient protections under existing authority. (Federal legislation is necessary to regulate ERISA health plans' *external* appeals process but DOL has authority to regulate plans' *internal* claims and appeals processes.) The AMA has provided comments to DOL in strong support of this proposed regulation and testified at a public hearing held earlier this year. The AMA also weighed in with support of the proposed rule when members of Congress attempted to block implementation of the rule legislatively at the request of rule opponents in the insurance and employer community. This attempt was ultimately defeated. The DOL final rule is expected to be published at the end of 1999 or in early 2000.

Fraud and Abuse

Legislative Activities

The AMA has made progress in restraining HCFA's overzealous fraud and abuse activities. The Balanced Budget Refinement Act of 1999 includes a mandated Medicare Payment Advisory Commission (MedPAC) study of the complexity and level of regulatory burdens the Medicare program imposes on physicians. In addition, GAO is required to continue to monitor this program. The AMA also successfully lobbied for changes in the "Government Waste Corrections Act of 1999" (H.R. 1827), a bill that would allow federal agencies to directly contract with outside auditors to find fraud for a 25 percent bounty. The revised legislation, as reported by the Committee on Government Reform and Oversight, would apply only to those who directly contract with government and not those who work through third party payers on behalf of a government program. As the bill moves through Congress, the AMA will continue to be vigilant to ensure that the legislation continues to exempt federal health programs. AMA recommendations formed the lines for Rep. Shelley Berkley's (D-NV) bill, H.R. 3300, which would provide for a "Doctors' Bill of Rights" under the Medicare program. The bill would restore fairness to the medical review process. Among the elements included in the legislation: ability to appeal to an Administrative Law Judge without being subjected to a Statistically Valid Random Sample; disallowing use of extrapolation during a physician's first post payment audit; and expanded role of physician education during the medical review process.

Regulatory Activities

Post Payment Audits - As a result of AMA's direct efforts, HCFA is considering a series of changes to the medical review process. Pursuant to AMA advocacy, HCFA announced that it would extend the time period a physician has to respond to the results of an audit for an additional 30 days. Physicians now have a total of 60 days with which to choose an option following a post payment audit. The AMA is also urging HCFA not to utilize extrapolation during a physician's first post payment audit. Furthermore, the AMA has argued successfully to HCFA that carriers should consider down coding, as well, during a post payment audit. HCFA has agreed to revise its policy with respect to down coding. Currently, the consent settlement provides the physicians with few options. Many physicians feel they have little recourse but to settle. Therefore, the AMA also is vigilantly pursuing the authority to allow physicians to appeal the results of a post payment audit to an Administrative Law Judge without being subjected to a statistically valid random sample.

Prepayment Reviews - The AMA has worked to ensure that the carriers conduct prepayment focused reviews in a reasonable manner. We have urged HCFA to limit the number of claims that will be reviewed during a prepayment focused review. HCFA has agreed that these reviews should not be overly onerous for physicians. The AMA will diligently pursue HCFA's revisions in this area. AMA recently worked with the Kansas Medical Society to successfully resolve serious problems being encountered by Kansas City internists facing prepayment reviews.

Prepayment Screens - The AMA has worked to secure revisions in prepayment screens. The current computer systems of the carriers only allow a carrier to put a physician on a 100 percent prepay review of a "problematic" code. As a result, many physicians must endure 100 percent prepay reviews of certain codes. The AMA has pursued aggressively changes in prepayment screens on two fronts. First, we are urging that prepayment reviews should cease as soon as a physician has demonstrated that he or she is in compliance. Second, we are advocating that carriers should modify their systems to conduct prepayment reviews on a smaller, more appropriate, percentage of claims. HCFA has agreed to continue to work with the AMA to accomplish mutually acceptable revisions in prepayment screens.

Education - The AMA has advocated strongly to HCFA that the agency should switch its current punitive approach to medical review to an educational one. In an effort to redirect HCFA's current paradigm, the AMA is working to identify innovative education methods for physicians. We will continue to extensively explore this area and advocate changes to HCFA.

Enrollment - HCFA is planning to greatly expand its current enrollment requirements. HCFA will require physicians to revalidate their enrollment status with HCFA every three years. Upon learning of HCFA's enrollment and revalidation proposal, the AMA assembled a coalition of health care organizations to work on our concerns. Initially, HCFA intended to publish a proposed regulation on this issue last spring. Due to the AMA's advocacy efforts, HCFA delayed issuing a proposed rule and instead held a Town Hall meeting to hear concerns from the physician and provider communities. During the Town Hall meeting senior HCFA officials became more acutely

aware of the numerous problems that currently exist with Form 855 and the enrollment process. As a result of the meeting and follow-up AMA advocacy efforts, HCFA temporarily put the proposed regulation on hold in order to try to straighten out the difficulties with the current process. The AMA is continuing to aggressively advocate to HCFA our numerous concerns with the current form and process. In addition, we are vigilantly urging HCFA to refrain from redirecting resources in order to expand its enrollment program.

Medicare Integrity Program (MIP) - The Health Insurance Portability and Accountability Act of 1996 (HIPAA) provided HCFA with the authority to contract with third parties (in addition to carriers and fiscal intermediaries) to conduct program integrity activities. The AMA has been extremely concerned that the MIP would create additional bureaucracy, confusion, and a perverse incentive system for audits. We have expressed aggressively our serious concerns with MIP to Congress and the Administration. We sought expert advice on government contracting to explore the structure of the initial MIP task orders. It appears that HCFA has listened to our concerns regarding the unintentional creation of a "bounty system" and has structured the initial six task orders so this, in fact, does not occur. The AMA will remain vigilant as the task orders are implemented to try to ensure that the added bureaucracy and confusion are minimal. We have also expressed our strong desire for the AMA to work closely with the MIP contractor that was awarded the education task order.

Healthcare Integrity and Protection Data Bank (HIPDB) - In 1996, HIPAA created the HIPDB, a national data collection program for the reporting and disclosure of certain final adverse actions taken against health care providers, suppliers, or practitioners. Congress created HIPDB to combat fraud and abuse in health insurance and health care delivery. In late October of 1999, the Office of the Inspector General (OIG) issued its final HIPDB regulation. The AMA has had a number of serious concerns about the implementation of the HIPDB. We have urged aggressively the OIG to narrow the scope of the HIPDB. In its final regulation, the OIG did clarify that certain actions would not be included in the data bank, such as billing errors and overpayments; voluntary surrender of a physician's license due to nonpayment of licensure fees, retirement and inactive status; and limitations on clinical privileges. The AMA will continue to try to secure changes in the final HIPDB regulation.

Physician Compliance Plans - On September 8, 1999, the OIG issued a solicitation requesting input on whether the agency should issue a model compliance guidance for individual physicians and small group practices. The AMA provided the OIG with extensive comments on the concept of a model compliance guidance for physicians. We anticipate that the OIG will proceed with the development of this compliance guidance and the AMA will continue to provide input to the OIG so that the compliance guidance is as helpful to physicians as possible.

Medicare+Choice (M+C) Compliance Plan - The AMA expressed concerns to both the OIG and high-level HCFA staff regarding disparities between HCFA's M+C marketing guidelines and the OIG's M+C compliance plan. As a result of AMA comments on the compliance plan, the OIG's final plan removed earlier language in conflict with the HCFA rules and substituted a requirement that plans meet the HCFA marketing guidelines.

Antitrust

"The "Quality Health Care Coalition Act of 1999" (H.R. 1304), introduced by Rep. Tom Campbell (R-CA), had, as of mid-November, 173 cosponsors, and 20 of 37 members of the Judiciary Committee. The bill would provide self-employed physicians the antitrust relief they need to negotiate with health plans. This would enable physicians to better provide quality care and fulfill their role as patient advocates. The AMA testified before the House Judiciary Committee. A markup scheduled in October was postponed but is expected to take place in the first week in February 2000, with floor action the following week.

Covering the Uninsured/Employer Outreach/Individual Insurance

AMA insurance market reform goals were contained in the "Taxpayer Relief and Refund Act of 1999," which was vetoed by the President. The bill also would have provided the following: 1) expansion of the current pilot program for Medical Savings Accounts (MSAs) to allow all Americans to enroll; 2) removal of the cap on the number of taxpayers who may enroll in an MSA; 3) increase the allowable contributions to an MSA; 4) reduce the floor on the required deductible for a qualified health insurance plan; and 5) speed up the date for 100 percent deductibility for health insurance for the self-employed. The bill would have provided that amounts received by an individual under the National Health Service Corps Scholarship program are treated as tax-free.

AMA continues to actively promote its health insurance reform proposal to employers, business organizations such as the U.S. Chamber of Commerce, consumer and patient organizations and the administration. Outreach on the AMA proposal has resulted in increased attention in Washington to the issues of patient choice, reforming the tax treatment of health insurance and increasing coverage for the uninsured.

Medicare

Legislative Activities

Medicare Sustainable Growth Rate (SGR) - The AMA, with the aid of Rep. Bill Thomas (R-CA), chairman, House Ways & Means Subcommittee, has taken significant steps to fix problems with the Medicare SGR. Legislative changes will significantly moderate the extreme volatility in Medicare payment rates predicted under current law and correct future projection errors. In addition, the final bill requires a study, requested by the AMA, that would require the Agency for Health Care Policy and Research (AHCPR) to review various methods for accurately estimating the economic impact on expenditures for physicians' services. Other required studies include 1) a MedPAC study on the complexity of the Medicare program and the levels of burdens placed on providers through federal regulation; and 2) Continued General Accounting Office (GAO) monitoring of Department of Justice application of guidelines on use of the False Claims Act in civil health care matters. This legislation, combined with the 5.4 percent payment update, shows a renewed commitment to assuring that physicians can continue to provide the world's finest health care for America's seniors.

Medicare Reform - AMA policies were reflected in the proposals developed by the National Bipartisan Commission on the Future of Medicare. Although the Commission was unable to reach its statutory-required 17 votes for an official recommendation, the results of its work, with some modifications, have been introduced as legislation. Senators John Breaux (D-LA) and Bill Frist (R-TN) introduced the "Medicare Competitive Premium System," S. 1895.

Self-Referral - The AMA has worked diligently, along with a coalition of specialty societies, to secure legislation to modify the self-referral laws authored by Rep. Pete Stark (D-CA). Rep. Bill Thomas (R-CA) introduced the "Self-Referral Amendments Act of 1999." Components of the legislation include elimination of compensation; removal of the site of service restriction from the in-office ancillary exception; creation of a general supervision exception; and elimination of group practice restrictions. Due to the singular focus on BBA '97 payment fixes, Congress did not move the self-referral bill. Rep. Thomas has indicated that the legislation will be a priority for next year and the AMA will continue to vigorously work towards passage.

Private Contracting - The AMA continues to have discussions with Senator Jon Kyl (R-AZ), the original author of the private contracting concept, about how to amend BBA '97 to allow private contracting with Medicare patients, as well as House Ways and Means Committee Chairman Bill Archer (R-TX). In the House, Rep. Pat Toomey (R-PA), following discussions with the AMA, introduced the "Seniors Health Care Freedom Act" (H.R. 2867), which would remove the two-year opt-out requirement.

Regulatory Activities

Medicare Coverage Policy - Through advocacy with Health Care Financing Administration (HCFA) and Congress, the AMA has been advocating significant restructuring of the Medicare coverage policy decision process. During the last several months, these efforts have begun to bear fruit with HCFA's establishment of a Medicare Coverage Advisory Committee to make the coverage decision process open, timely, and accountable, as well as to ensure that coverage decisions reflect available scientific evidence. Many of the members of the new advisory committee are medical doctors. The AMA has testified before the Health Subcommittee of the House Ways and Means Committee on the need for reform of the Medicare coverage process. In July, the AMA expressed its support for H.R. 2356, the "Medicare Patient Appeals Act of 1999," introduced by Representative Bill Thomas (R-CA).

Implementation of Medicare+Choice (M+C) - As Congress and the administration continue to modify and refine M+C, the AMA has called for simplification of M+C quality standards and greater protections for beneficiaries whose plans withdraw from the program. These efforts helped convince Congress to include some new beneficiary protections in the Medicare BBA fix legislation. Also, we have invested considerable effort in establishing relationships with many of the "newer" managed care staff at HCFA. We are currently working with HCFA to

guarantee minimum physician hassles and confusion that are likely to result next October from the imposition of a requirement that M+C plans collect encounter data on non-hospitalized patients.

New Prospective Payment Systems - The Balanced Budget Act required HCFA to develop a number of new prospective payment systems. In July 1998 it proposed a new payment system for ambulatory surgical centers (ASCs) and in September 1998 it proposed a new payment system for hospital outpatient departments (HOPDs). The AMA has been continuing to work closely with the Medicare Payment Advisory Commission, industry groups, and the Federation to aggressively respond to these proposals, which are fraught with problems. Our joint efforts led Congress to include language demanding that HCFA modify the proposal as part of a package modifying certain Medicare provisions in the Balanced Budget Act (BBA) of 1997.

Negotiated Rule Making on Lab Policies - The laboratory negotiated rulemaking, of which the AMA was a member, was successfully concluded in late August. The Department of Health and Human Services is now developing a Notice of Proposed Rulemaking (NPRM) that reflects the agreements reached by the committee. The NPRM is expected to be published for public comment by the end of the calendar year. The AMA was successful in avoiding a requirement that a diagnosis code be submitted with each laboratory requisition. We also were able to maximize the opportunity for national medical specialty societies to contribute to the development of national policy on the two dozen laboratory tests addressed by the committee.

Hospital Conditions of Participation - Although the bulk of the Conditions of Participation (COP) still have not been issued, HCFA did issue, on July 2, an interim final rule on the "patients' rights" section of the participation conditions. The AMA strenuously objected to new seclusion and restraints' requirements, particularly one that would require that a physician see a patient within an hour of the application of restraints or seclusion. Instead, we recommended that hospitals be required to contact the patient's physician over the phone so that the physician, after discussions with the nurse or other caregivers, could make a decision, based on his/her best medical judgment about whether a face-to-face evaluation is required. The AMA made similar comments on seclusion and restraints' guidelines issued by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). We expect to review and comment on additional HCFA guidelines and regulations on this important subject.

The AMA continues to work closely with HCFA to ensure that nurse anesthetists must work under physician supervision. The proposed Conditions of Participation remain a regulatory priority for the AMA. We continue to work closely with the American Society of Anesthesiologists (ASA), as well as Congress, to assure that HCFA does not move forward to eliminate the supervision requirement.

Proprietary Code Editing Software - Due to objections raised about the use of black box edits by the AMA and others, HCFA has agreed that physicians will be allowed to review the edits in any future software purchased from private companies. This policy change resulted after a prolonged advocacy effort, led by the physician community, to have the federal government make public the code editing software. The AMA also has raised concerns about the use of proprietary edits by Medicare+Choice plans. In addition, at our suggestion, the Medicare Payment Advisory Commission is examining the use of proprietary code edits by Medicare.

Reform of PPAC - In mid year, the AMA wrote Secretary of Health and Human Services Donna Shalala urging her to make a number of administrative changes in the operation of the Practicing Physicians Advisory Council (PPAC). These changes were requested in order to make PPAC a more effective and useful advisory body for the Department, as well as a more meaningful experience for PPAC members. Among the AMA's recommendations were recommending attendance by HCFA senior staff for a major portion of the meeting; getting agenda materials out in a sufficient amount of time to allow meaningful review and input; identifying the critical questions and issues the agency is seeking to address at each meeting; and seeking input from the physician community about issues physicians want to have addressed by the council and the department. The Secretary took positive action on many of the AMA recommendations and indicated a willingness to work with us on the remainder.

Opening Up The Carrier Advisory Committee Process - The AMA was successful in convincing HCFA to modify its plans to have local carrier advisory committees (CACs) serve as sounding boards for pharmaceutical manufacturers and equipment manufacturers that are seeking coverage determinations under the Medicare program. HCFA has agreed to limit such presentations and to allow the CACs to meet in executive session when recommendations can be made in private. The new CAC directive is expected to be issued before the end of the year.

Assisted Suicide/Pain Management

The AMA successfully lobbied for passage of the "Pain Relief Promotion Act of 1999" (H.R. 2260) in the House. According to the U.S. Department of Justice, the AMA negotiated new language that "would eliminate any ambiguity about the legality of using controlled substances to alleviate pain and suffering of the terminally ill by reducing any perceived threat of administrative and criminal sanctions in this context." No action has taken place on the bill in the Senate.

National Practitioner Data Bank (NPDB)

Legislative Activities

The AMA blocked an attempt by Rep. Tom Bliley (R-VA) to add an amendment to open up the NPDB to the Norwood-Dingell patients' bill of rights legislation. Bliley has since decided to hold a future hearing on the issue. He has sent a letter containing 13 questions to the HHS Secretary and is preparing a list of questions for the AMA. As reported in the *Chicago Tribune*, the AMA is working aggressively to defeat any proposal to open the NPDB.

Regulatory Activities

National Practitioner Data Bank Corporate Shield - The AMA recently achieved a major victory when, on September 29, the administrator of the Health Resources and Services Administration (HRSA) announced that the agency would take the unusual step of withdrawing a proposed regulation that would have expanded the reporting requirements for the National Practitioner Data Bank (NPDB). The proposed regulation would have amended the existing requirements to the NPDB to include reports on payments made on behalf of a physician or other health care practitioner who provided the medical care that is the subject of a claim or action, whether or not the physician or other health care practitioner was named as a defendant in the claim or action. The AMA, independently and with a coalition, vigorously urged the administration to withdraw this unfair and detrimental regulation. However, on November 17, the AMA learned at the executive committee meeting of the NPDB that the withdrawal of the proposed regulation has been stalled due to differences within the Department of Health and Human Services. The AMA is monitoring vigilantly these developments to ensure there is no change in the administrator's position on withdrawing the regulation.

Privacy/Confidentiality

The AMA has had a major influence on multiple health care confidentiality bills that have emerged in the 106th Congress. AMA advocacy has been governed by the need to protect patients without placing excessive administrative liability burdens on physicians. To date, no bills have met the AMA criteria. During the 1st Session of the 106th Congress, work was completed on the "Financial Services Modernization" (S. 900). The original House version of the bill, H.R. 10, contained provisions on health care privacy that would have been adverse for patients. The AMA successfully lobbied to have these provisions deleted in the House-Senate conference. However, there is some concern with the financial privacy provisions retained in the final bill.

NIH Funding

The AMA successfully lobbied for an increase in NIH funding for biomedical research. For FY 2000, NIH will receive \$17.9 billion, an increase of \$2.26 billion above the FY 1999 level. Unfortunately, \$4 billion of the total amount will be delayed until the first day of FY 2001 (October 1, 2000).

Internet Prescribing

The AMA is working with the FDA, the Federation of State Medical Boards (FSMB) and the National Association of Boards of Pharmacy (NABP) to address Internet prescribing issues. While there are many legitimate Internet pharmacy practice sites that dispense prescription medications, there are also significant problems with foreign sites and physicians practicing below a minimum standard of care. The AMA testified before the House Commerce Oversight and Investigations Subcommittee regarding our concerns. The AMA will continue to work with federal agencies, FSMB and NABP to curb the abuses in this area.

Primary Care Training (Title VII Funding)

Following a review of the administration's FY 2000 budget it was determined that funding for primary care physician training programs would be eliminated unless Congress acted affirmatively. The AMA lobbied Congress, expressing concern about the need for an adequate level of funding for these training programs. The AMA sought to ensure that essential access to primary care physicians would not be jeopardized by elimination of this funding source.

Scope of Practice Concerns Raised with VA

The AMA sought to ensure that the new Acting Under Secretary for Health at the Department of Veteran's Affairs (DVA) was well aware of the position taken by the HOD opposing expansion of the scope of practice for prescribing authorities to non-physicians. To assure that the Administration understood the depth of the AMA's concern, we sought and received assistance from the Congressional Appropriations Committees, which inserted language in the funding for DVA programs requiring the Department to consult with the AMA prior to extending prescribing authority.

Y2K

The AMA continued its active involvement with the federal government to assure that Y2K problems were successfully addressed by both the public and private sectors. The AMA conducted its second survey of physicians' knowledge of and readiness for Y2K. That survey and others performed by the public sector had low response rates, but suggested that physicians were generally aware of the need to take action. We have worked with our communications and publishing units to publish articles alerting physicians to the need to test their billing systems with Medicare and other payers. Working with our Professional Standards unit, we have been active participants in the Pharmaceutical Alliance for Y2K Readiness and a working group on medical equipment and supplies. Both groups had as their objective sending assurances to those depending on these products/services that there is no need to order more supplies/pharmaceuticals than are necessary.

Prompt Payment

The AMA continues to make prompt payment a priority. We are actively working with Congress and the administration to ensure that managed care plans and other insurers pay physicians within reasonable time frames. As a result of our efforts, prompt payment language was included in the Patients' Bill of Rights passed by the House of Representatives. Passage of prompt pay legislation will continue to be a priority next year. On a related front, we continue to urge HCFA to move administratively to require Medicare+Choice plans to meet the Medicare fee-for-service payment deadlines.

Credentialing of Physicians by HCFA

At A-99, the House of Delegates passed a resolution criticizing HCFA for imposing CME course work before physicians performing hyperbaric services could bill Medicare for their services. After strongly communicating the House action and AMA policy on this matter to HCFA, this policy of requiring credentialing of physicians was abandoned by HCFA.

Quality Improvement Activities at AHCPH

The AMA worked with the Agency for Health Care Policy and Research (AHCPH) as its role in conducting studies and disseminating information on quality improvement in health care increased. After working to ensure that the agency appropriately considered the role of practicing physicians in improving health care quality, the AMA supported Congressional legislation to reauthorize the agency.

Establishing Executive Branch/Regulatory Web Site

The Division of Federal Affairs and Outreach has significantly improved access to communications from the AMA to federal agencies. Members can visit <http://www.ama-assn.org/ama/basic/category/0,1060,171,00.html> for those communications.

Political Affairs

Grassroots programming for the AMA has been in high gear throughout 1999 in an effort to utilize physicians, members of the AMA Alliance, the Federation and the entire family of medicine in lobbying Congress and the administration for our legislative and regulatory priorities. Nationwide conference calls were conducted between physician leaders and members of Congress for the Campbell antitrust bill and the Norwood-Dingell Patients' Bill of Rights. 500,000 blast faxes, both general and targeted, were sent to members of the Physicians' Grassroots Network producing nearly 10,000 calls to Congress through the AMA's Grassroots Hotline. Through the hotline, callers are given a legislative update and provided talking points before they are patched through, toll free, to their representative and senators' offices.

For the first time, patients were aggressively recruited to join the AMA in our campaign to enact national patients' rights reforms. A target group of physicians were given the opportunity to order, at no cost, a "Patients as Partners Information Card" for placement in their reception areas. The cards contained talking points about the Patients' Bill of Rights and instructions on how patients could contact their members of Congress utilizing the AMA's grassroots technologies. More than 14,000 cards were distributed nationwide, and both physicians and their patients greeted the program with widespread enthusiasm.

The "AMA in Washington" Web site was redesigned and rolled out in early 1999. It has become one of the most heavily visited sections of the entire AMA Web site. During the congressional debate on the patients' rights legislation, "hits" on the site averaged more than 30,000 per week. And with the support of a grant from the AMPAC Board, nearly 25 states activated state Grassroots Action Centers, modeled after the AMA Grassroots Action Center, for use on state medical society Web sites.

Successfully launched "CyberDocs," a regular e-mail communication for more than 3,000 self-identified grassroots activists, providing weekly messages on priority issues in Washington, with links for additional information and the opportunity to communicate directly via e-mail with congressional offices.

This fall, almost 300 members of the medical community participated in the 1999 AMA Grassroots Conference, held September 22-23, at the Mayflower Hotel in Washington, D.C. The conference, held two weeks before the House vote on the Patients' Bill of Rights, provided participants a well-timed opportunity to engage in health care discussions with leaders from the House and Senate as well as their own representatives. Conference speakers included Vice President Al Gore, who released a Health and Human Services report on the need for Medicare managed care reforms. Also addressing the grassroots activists were Sen. Edward Kennedy (D-MA), a champion for patients' rights in the Senate, and Representatives Charles Norwood, DDS (R-GA) and Greg Ganske, MD (R-IA) key leaders in the House patients' rights debate. Conference attendees fanned out across Capitol Hill, visiting with home state representatives and lobbying for passage of meaningful patients' rights legislation.

As we prepare for the second session of the 106th Congress, our grassroots technologies and programming grows in scope and usage. We continue to capitalize upon the willingness and desire of physicians and the public to participate in grassroots advocacy, impacting the debate on those issues most important to our members and their patients.

Legislative Affairs

The Legislative Affairs group continues to focus on the development, articulation and distribution of AMA's legislative policy through various media and the state and national levels. New this year has also been a major emphasis on coordination of association resources in campaigns to utilize the association's resources effectively and efficiently. Campaigns have focused on fraud and abuse, patients' bill of rights and other high priority issues throughout the year.

Advocacy Resource Center - A major success of the AMA this year has been the continued work of our Advocacy Resource Center (ARC). During 1999, the ARC team began preparations for the exciting early-2000 launch of its new Web activity, The Virtual ARC. This cutting edge Web-based system for delivering advocacy support to the Federation will be introduced at the 2000 State Health Legislation Meeting. The Virtual ARC will increase the effectiveness of all elements of the federation, state, county and national medical societies by allowing instant access to the comprehensive materials included in each ARC advocacy campaign, including materials from across the AMA and materials and information shared by specialty organizations, state medical societies and organizations

outside of organized medicine. It will serve as a direct resource to AMA members registered in the Members-Only section of the AMA Web page. The first campaigns to be included on the Virtual ARC are managed care issues (managed care accountability and external review), prompt pay, physician negotiations under the “state action” doctrine and scope of practice.

In terms of issues in 1999, the Advocacy Resource Center continued its work on the important area of scope of practice. Other primary issues concerned medical record confidentiality and tobacco control. A work group consisting of six ARC executive committee members and several other individuals representing states interested in the confidentiality of health information met to determine the nature of an ARC campaign and to discuss the complexities faced by states attempting to address this issue. This work group will continue to meet and provide input as the ARC addresses this important issue.

Regarding tobacco control, the ARC, working closely with our Science and Public Health Advocacy unit, co-hosted a fly-in for states interested in learning how to craft an effective tobacco control plan with the money they would be receiving from the Master Settlement Agreement. Representatives from more than 15 states and several national medical specialty organizations were in attendance. The meeting included presentations by the Centers for Disease Control and Prevention’s Office on Smoking and Health and directors of state level activities for the American Cancer Society and the Campaign for Tobacco-Free Kids. State and specialty societies not represented received meeting materials and minutes in a post-meeting mailing.

Keeping our campaigns as current and relevant as possible, the ARC also updated and disseminated information concerning the four initial advocacy campaigns - managed care accountability, prompt payment, external review/medical necessity determinations and end-of-life care. Furthermore, the ARC executive committee met several times to evaluate campaign progress, provide input and receive updates on ARC activities. The executive committee worked with ARC staff to host an open forum at the AMA Annual Meeting to discuss and highlight the ARC’s activities to medical society staff.

State Legislation - State legislatures continued to be a major focus for medicine’s agenda and the Division of State Legislation continues to provide assistance on state legislative and regulatory matters to the Federation. Division staff maintains a broad information base on existing and pending state health care legislation and regulations. In addition, attorneys provide legal, legislative and advocacy expertise to the state medical societies on a wide range of issues that arise on the state level. Status reports summarizing pending and enacted legislation are prepared and disseminated to the Federation throughout the year, as are special updates that provide timely information on issues of critical importance to the Federation.

A major focus has been to develop a campaign to win enactment of state legislation establishing a state-action doctrine exemption in the states to allow physicians to negotiate directly with health plans. During the 1999 legislative sessions, the division focused its efforts on assisting the Texas Medical Association (TMA) in introducing and passing legislation permitting joint negotiation by physicians. The division not only assisted TMA in drafting language and amendments for the introduced legislation (based on the AMA’s model bill), but also provided on-site assistance in developing supporting information, defeating opposition arguments, and presenting AMA Board of Trustees members to testify during committee hearings. To date, the AMA’s model bill on physician joint negotiations, also known as the state action doctrine, continues to serve as a template for nearly a dozen states that plan to introduce similar legislation during the 2000 sessions. In fact, division attorneys already have assisted a number of states in developing legislation currently pending in three state legislatures, as well as developing testimony to be presented by AMA Board members in two of these states. This initiative will remain a priority for the Division of State Legislation during the 2000 sessions and beyond.

In addition to their substantial work on the physician joint negotiation issue, division attorneys continued to handle requests on a wide range of other critical health care issues, including external review processes, managed care accountability, and scope of practice issues. These issues are handled in a number of forums, from our Federation members to health care organizations that impact the AMA’s policy goals. For example, division attorneys provided substantial input into the National Association of Insurance Commissioners’ (NAIC) model bill regarding external grievance review procedures, resulting in a product acceptable to medical associations and health plans alike. In early 1999, the division convened a NAIC advisory group to convene via conference call pre- and post-NAIC meetings to discuss positions to be conveyed during the meeting, as well as provide informative feedback after attending the meetings. The division will utilize this and other interactions with a variety of health care organizations to present panels of experts on key health care issues at its upcoming January 2000 State Health

Legislation Meeting. As in past years, the division will continue to directly link with state and specialty societies by holding a well attended advocacy roundtable meeting for its Federation members to discuss health care issues prevalent during the legislative sessions.

Division of Legislative Counsel - Working behind the scenes to provide AMA advocates with tools they need to influence federal legislators and regulators, the Washington Legislative Counsels performed exhaustive legislative analysis of key proposed and introduced Federal bills, while also working to educate Hill, other AMA staff and the Federation through talking points, comparative charts and other devices. In addition to providing staffing to the Council on Legislation, division staff intensively scrutinized literally thousands of pages of legislative language leading up to and during the heat of House and Senate floor consideration of such high-profile measures as the patients' bill of rights and the BBA refinements legislation. Both initiatives demonstrate AMA advocacy in action as our attorneys worked to craft favorable amendments and defeat harmful provisions.

During 1999, the division was responsible for more than 220 letters to Congress and Federal agencies on a wide range of important issues. The legislative counsels also developed, wrote and provided whatever staff assistance necessary for 26 formal AMA testimonies for presentation to Congress and administrative agencies, including 14 statements that were presented by AMA Board of Trustees members and officers before Congressional committees.

The division, working with the Medical Student Section, also led a highly successful effort to implement and coordinated the AMA-MSS Summer Internship Program in Washington, D.C., in which more than a dozen medical students participated, including one assigned to the division. This team was also responsible for the first participant in a new AMA Resident Internship Program in Washington.

Council on Legislation - During 1999, the AMA Council on Legislation tackled a wide range of challenging assignments consistent with its charge to provide recommendations to the Board of Trustees on legislation and regulations important to physicians, patients and public health. At the specific request of the House of Delegates, the council considered some 29 separate items that resulted in the drafting and development of 13 different state and federal model bills to assist our advocacy efforts on those respective levels. In addition, the council assisted the board in responding to other specific requests for written reports back to the HOD.

The council also undertook a major project that resulted in the development of the AMA's preferred language in the form of "stand alone" model bills on a targeted list of key patient protection elements. Each of these bills incorporated AMA policy-based language on "medical necessity," non-preemption of more protective state laws, and accountability for health plans engaged in negligent medical decision-making for covered services (ERISA preemption removal). Upon subsequent board approval, this legislative package was delivered to U.S. House of Representatives Speaker Dennis Hastert (R-IL) to meet a request made of the AMA. Although rejected by the Speaker, this AMA model language proved an extremely useful tool throughout the year in working with members of Congress to develop individual bills. This language also allowed AMA legislative attorneys to assess the adequacy of and perfect emerging patients' rights legislation on a continual basis. Indeed, even as the council was kept apprised of multiple emerging bills in this area, its evaluations and judgments on such legislation helped to bolster and lend much-deserved credibility to H.R. 2723, the Norwood (R-GA)/Dingell (D-MI), "Bipartisan Consensus Managed Care Improvement Act of 1999," which passed the House by a wide margin in early October 1999.

On other important issues, the Council on Legislation was instrumental in helping AMA staff perfect final drafting of Re. Tom Campbell's (R-CA) physician antitrust relief bill, H.R. 1304, the "Quality Health Care Coalition Act of 1999." In addition, the council reviewed in-depth some 28 different bills and legislative proposals in 1999 and made definitive recommendations to the Board of Trustees on 26 of these measures.

Health Policy

Prioritization of AMA Policy Initiatives - The AMA's Policy Coordination Team (PCT) developed a set of "standardized criteria" to help guide the prioritization process of the AMA. The criteria are intended to strengthen the link between the AMA's primary goals and the varied aspects of the organization's work. Using the criteria, the PCT initiated an "AMA Policy/Advocacy Initiatives Survey" of more than 950 member and non-member physicians regarding the importance of existing and potential AMA initiatives. The top five priority issues identified by the PCT for the AMA to pursue in 2000 and beyond are:

- managed care reform (managed care accountability, antitrust relief and payment timeliness);
- increasing access and expanding patient choice;
- preserving the patient-physician relationship by focusing on the elimination of true fraud and abuse;
- enhancing end-of-life care; and
- long-term Medicare reform.

Results of the survey, as well as the corresponding work of the PCT, will be incorporated into the Board/Council Strategic Planning Process in February 2000.

Council on Medical Service - The council has continued its proactive role in the development of AMA socioeconomic policy recommendations. Among the issues addressed by the 16 new policy reports prepared by the council are insurance coverage for adults with congenital and/or childhood diseases; on-call coverage by physicians in emergency departments; geographic differences in payments to Medicare+Choice plans; the status of the Medicaid program; physician performance productivity measurement; socioeconomic factors influencing the patient-physician relationship; the impact of the physician assumption of financial risk; costs and benefits of pharmaceutical use in the U.S.; the expansion of Medical Savings Accounts; pharmacy benefit risk-sharing by physicians; and the Tax Credit Simulation Project. The council also established a page on the AMA Web site that contains selected full-text reports from the last three meetings of the House of Delegates.

Expanding Health Insurance Coverage and Patient Choice - A tremendous amount of work has been done to further develop the AMA's proposals to advance individually owned health insurance and expand health insurance coverage. Two AMA advocacy booklets, "Rethinking Health Insurance: The AMA's Proposal for Reforming the Private Health Insurance System" and "Choosing Health Insurance That Best Meets Your Needs: A Proposal from the AMA," were printed and widely distributed to members of the Federation, Congress, the media, and were also posted on the AMA Web site. In addition, a summary article describing the AMA's proposal for individually selected and owned insurance, authored by Nancy W. Dickey, MD, immediate past president, and Peter McMenamin, PhD, AMA Health Policy Group, was published in the *New England Journal of Medicine*.

Center for Health Policy Research - The Center for Health Policy Research analyzed the effects of proposed Medicare payment updates, thereby demonstrating that HCFA budgeting for physician payments in FY 2000 (and each year thereafter) was \$1 billion short. The center also worked with an independent analyst to demonstrate that the HIAA-funded estimates of the cost impact of the Campbell Bill were not warranted. It also provided support to the Pennsylvania Medical Society in analyzing the effects of managed care market consolidation, conducted a workforce supply analysis in conjunction with the American Osteopathic Association to update AMA's workforce projections and support workforce policy development, provided support to the Vermont Medical Society in negotiating Medicaid payment rates in that state, and conducted an analysis of AMA's Partnership for Growth program on AMA membership.

The AMA's Socioeconomic Monitoring System survey contained a battery of questions to assess how physicians have responded to Medicare physician payment policy. Results of the survey confirmed what has been generally predicted would be the ultimate result of Medicare price controls: services delivered to beneficiaries are being eroded by the necessity to reduce cost in the face of inadequate payment increases. This is the first time that these effects have been detected.

More than a dozen articles conveying statistical and economic information of interest to practicing physicians have been posted on the Members-Only section of the AMA Web site. The content of the articles range from 25-year economic and demographic forecasts for Standard Metropolitan Areas and states, to analysis of the implications of rapid progress in biotechnology for the future practice of medicine.

Medicare+Choice Program - The last two of a series of three information booklets were completed on the Medicare+Choice program. Volumes 2 and 3, "What You Should Say or Not Say to Your Patients" and "What You Need to Know About Providing Services to Medicare+Choice Patients," were printed, widely distributed and posted on the Members-Only section of the AMA Web site.

Materials for the Advocacy Resource Center Payment Timeliness Campaign - In coordination with the Advocacy Resource Center (ARC) Payment Timeliness Campaign, the AMA developed self-help materials for state and county medical associations to guide the conduct of data collection on the typical lapse between submission of clean claims and receipt of payment. In the fall of 1998, a package of materials--including computer diskettes--was mailed

to every state medical association. During 1999, AMA staff have worked directly with a number state medical associations and county medical societies to guide them through the process of modifying the basic survey instrument to enumerate local health plans, to implement local surveys, to compute the survey results and to develop advocacy materials.

American Accreditation Health Care Commission/URAC - Through its active participation as a member of the Board of Directors of AAHCC/URAC, the AMA has continued to take an active role in the revision of the following AAHCC/URAC standards: telephone triage, case management, health plans and networks. Most recently, the AMA has begun to assist AAHCC/URAC in the development of standards for external review organizations.

Private Sector Advocacy

The AMA's Private Sector Advocacy (PSA) initiative to level the playing field for physicians in the current marketplace has been very successful since it was implemented in the fall of 1998. The Private Sector Advocacy Group (PSAG) has focused on 1) exposing and eliminating abusive and unfair contracting provisions and practices that have eroded the patient-physician relationship; 2) improving the negotiating leverage for physicians as they advocate for their patients and their practices; 3) identifying and responding to emerging trends and issues; and 4) supporting Public Sector Advocacy initiatives. Working closely with specialty, state and local medical societies and other AMA staff, the PSAG has made substantial progress in meeting its objectives. The following represents the results of these efforts and plans for 2000:

1. Educated the Federation and physicians on the AMA's Private Sector Initiative and the commitment to more than doubling the resources of the PSAG to assist in this area. Briefings on Private Sector Advocacy have been given by PSAG staff in more than 20 states.
2. Responded to physicians in 41 states and provided on-site response in 24 states of which nine involved multi-disciplinary teams called Rapid Response Teams (RRT). Physician feedback has been overwhelmingly supportive. Aggressive marketing of the PSAG this fall has already increased our contact activity significantly.
3. Aggressively engaged national health plans on contracting issues using our "Model Medical Services Contract" developed in 1998, which will be updated in 2000:
 - Met with and challenged Aetna/US Healthcare to change its contract provisions and practices. Although not to our satisfaction, Aetna's contracts have been modified in some areas. Aetna has established an external appeals process. Our battles with Aetna on their "all products clause" in Texas and Kentucky have been picked up by at least six states and our efforts will be stepped up in 2000.
 - With the American Academy of Dermatology, met with United HealthCare and was successful in changing some of their downcoding policies. We also raised a number of other contracting issues. Recently, United eliminated their prior authorization practice. More meetings are planned next year to include CIGNA and some Blue Cross/Blue Shield plans.
4. Assisted physicians in addressing specific market issues with managed care plans:
 - Noting a national trend towards mandatory hospitalist programs, alerted the Federation, participated in a letter to the American Association of Health Plans (AAHP) outlining AMA policy, and directly assisted medical societies and physicians in five states to prevent such programs from being implemented.
 - Working with AMA CPT staff, directly assisted numerous physicians in addressing "claims editing" issues.
 - Working with our Advocacy Resource Center (ARC) and Survey staff, assisted four states in addressing reimbursement delays by managed care plans.
 - Presently working to assist several states in addressing Medicaid reimbursement issues. A team is assisting the Vermont Medical Society as they negotiate Medicaid reimbursement rates for all physicians under their limited state action doctrine. This may serve as a model for other states to pursue in 2000.
5. Assisted physicians in strengthening their negotiating capabilities:
 - Challenged the merger of Aetna/US Healthcare and Prudential. Requested a Department of Justice (DOJ) review that resulted in some divestiture in Texas and special oversight provisions in New Jersey. Similar challenges are planned in 2000.
 - Assisted employed physician groups in four states to address their negotiating options to include collective bargaining. This activity will increase next year as physicians express interest in the recently formed national negotiating organization, the Physicians for Responsible Negotiation (PRN).

- Worked with the AMA's Resident and Fellow Section to establish Independent Housestaff Organizations (IHOs) for residents at five institutions.
 - Developed the AMA's concept for a collective bargaining unit (CBU), provided most of the risk assessment information in BOT Report 30 at A-99, developed the concept for a national negotiating organization (NNO) and implemented the newly formed Physicians for Responsible Negotiation (PRN).
 - Assisted the AMA's State Legislative Affairs Division in the passage of the state action doctrine in Texas that provides for collective negotiation by self-employed physicians under the purview of the state attorney general.
 - Working with AMA's Health Law group to assess the concept of a "de facto employee" relationship between physicians and health plans, which if supported by the courts, would permit collective bargaining.
6. Proactively identified trends impacting the physician practice environment and developed strategies to assist physicians:
- Noted trend consolidation and mergers of health plans and associated increase in unfair contracting practices and behaviors. The challenge of the Aetna/Prudential merger has been a catalyst for an increased public awareness campaign and academic interest in the dynamics of the current marketplace. This campaign and the need for future research will be emphasized in 2000.
 - Identified bankruptcy of health care entities as a major threat to the viability of physician practices. Developed a publication, "Guidelines for Physicians in Bankruptcies" to assist them and their legal counsel. Working on a booklet directed specifically at physicians on this issue for I-99.
 - Recognized the growing problem with coding issues in physician practice. Along with CPT division, initiated a task force to develop strategies to more aggressively address issues next year.
 - As part of the AMA's Policy Coordination Team (PCT), identified and prioritized issues to be addressed by the AMA in 2000. Initiated database for all physician contact activity and catalogued media pieces related to priority issues in the marketplace. Information is being input to public advocacy initiative such as the Patient's Bill of Rights and Campbell Bill.

GOVERNANCE, POLICY MANAGEMENT AND EXTERNAL RELATIONS

Constituency Groups

International Medical Graduates (IMG) Section - The IMG Section continues to build its membership base, which now exceeds 3,500 and meets its charge of acquiring 3,000 members within three years. The Governing Council also actively encourages the IMG/ethnic medical societies to join and work with the AMA. The proposed (I-99) AMA bylaws for Professional Interest Medical Associations (PIMA's), which would allow the ethnic medical associations to pursue a seat in the HOD, will help in this endeavor. Ethnic medical societies meeting the proposed membership criteria can now begin to take formal steps to be recognized as part of organized medicine. The IMG Section and its Governing Council continue to address IMG-specific grievances regarding discrimination in the practice environment, in training programs and in obtaining licensure.

Medical Student Section (MSS) - The "AMA Medical Student" newsletter was developed in 1999 for mailing to all medical student members. Two editions (summer and fall) were distributed, and funding has been received to continue the communication piece in 2000. The newsletter has enabled the MSS to target the entire medical student membership and inform it of AMA and MSS activities and accomplishments. The MSS also continues to increase its MSS e-mail distribution list. Biweekly e-mail updates are currently being received by nearly 10,000 student members.

The Medical Student Section continued its efforts to promote organ donor awareness through the MSS National Service Project and through community service activities at the local level and at the national meetings. In addition, the MSS sponsored four regional Section Meetings this fall. The section meetings are organized and implemented by medical students and are designed to promote local level activity and activism in organized medicine. More than 250 students participated.

On the Washington front, the MSS Government Relations Internship Program completed its second successful summer program. Through this program, stipends (up to \$2,500) are available for selected students to participate in their own legislative internship programs and seminars conducted at the AMA Washington office. Thirteen medical students participated in 1999 with internship sites ranging from the offices of Senators Bill Frist, Jon Kyl and Dick Durbin to the National Highway Transportation Safety Administration.

Finally, the MSS is pleased to announce a new Leadership Award Program sponsored by the AMA Foundation that will send 25 students and 25 residents to the 2000 AMA National Leadership Development Conference. The award program will focus on nonclinical leadership skills in medicine or community service. The objective of the program is to encourage involvement in organized medicine and continue leadership development among this very important life-cycle segment.

Organized Medical Staff Section (OMSS) - The section continues to focus on the implementation of AMA policy that outlines organizational principles for physician involvement in health plans and integrated delivery systems. The organizational principles were reviewed by the National Committee for Quality Assurance's Practicing Physician Advisory Committee and they recommended most of them for incorporation into their 2001 accreditation standards.

The OMSS biweekly electronic updates and expanded mailing of the "Legal Advisor" to hospital chiefs of staff will increase the awareness of the OMSS and the AMA's visibility and relevance among medical staff leaders.

Resident and Fellow Section (RFS) - The section is comprised of 34,000 resident and fellow physician members of the AMA. It's mission is to educate and advocate on behalf of residents on issues concerning graduate medical education and national health policies.

The section continues to spearhead assistance to groups of residents interested in forming Professional Housestaff Associations (PHA) at their teaching institutions. Groups seeking AMA assistance are required to commit to forming an independent, democratic resident association that is not affiliated with a "traditional" labor organization and agrees not to engage in job actions or strikes that could adversely affect the well being of patients. The RFS has successfully worked with residents from a number of institutions around the country in exploring PHA possibilities. We are updating the booklet "Independent Housestaff Organizations: A Win/Win Opportunity" to provide interested groups of residents detailed information on forming such associations. The RFS was instrumental in assisting the Ochsner Clinic Housestaff in New Orleans in attaining membership in AMA and the state and parish medical societies for its approximately 200 residents.

Other goals for the RFS for 2000 include 1) increasing membership; 2) leading AMA advocacy and representation issues - including educating residents on PRN; 3) improving communications to resident members and nonmembers; 4) promoting leadership development with the AMA Foundation Leadership Award Program by bringing 25 residents and students to the AMA's NLDC in March; and 5) increasing participation in the RFS Assembly Meetings through a regional advocacy network.

Young Physicians Section (YPS) - The section continues to represent the special interests of physicians under 40 or in their first five years of practice. The AMA-YPS has revised its publication "Contracts: What you Need to Know" and is offering a complementary copy to all AMA young physician members. In addition, the YPS assembly asked the AMA to develop a publication on "Facilitating Entry into Practice."

The AMA-YPS was successful in incorporating the policy of the YPS assembly into policy on AMA's collective bargaining activities passed in the AMA House of Delegates. In addition, the YPS was successful in passing four of its other resolutions submitted at A-99.

YPS continues to send its blast e-mail to more than 4,500 young physician members biweekly. The section is working to increase that number significantly in the year 2000. In addition, a new communications piece was developed for assembly members to use with their constituents back home to communicate the actions taken at the YPS assembly meetings.

AMA Outreach recruiters successfully increased membership to the AMA. More than 800 members were recruited or retained through the efforts of the YPS recruiters. In addition, the YPS Governing Council is working on a membership implementation program that would increase membership recruitment and retention activities to resident and young physician members.

Special Groups

Minority Affairs Consortium - The AMA Minority Affairs Consortium (MAC) represents the interests of underrepresented minority physicians and medical students, including the more than 2,000 who have joined the

MAC to date. These members have expressed a commitment to assist the AMA in its ongoing efforts to address critical minority health and professional issues. MAC members receive monthly “blast e-mails” and, more recently, periodic mail newsletters. Important accomplishments this year include development of new AMA policy aimed at increasing diversity in medical education and strong involvement in the development of the AMA Cultural Competence Initiative (CCI). A redesign of the MAC Web site has been completed and the number of visitors to the MAC Web site has steadily increased. The MAC Governing Committee is working with its member ethnic medical associations, including the National Medical Association and the National Hispanic Medical Association, to promote membership and collaboration. The Committee also continues to focus on recruitment/retention efforts, primarily through a campaign directed toward its non-AMA members. Other recent MAC activities include a special program on organ donation in minority communities, distribution of the AMA minority issues policy consolidation, member discounts on CCI products, MAC member listings on AMA Physician Select, and initiation of the Minority Health Student Writers Award.

Senior Physician Services - An ancillary membership category available to AMA members 55 years and older, Senior Physician Services provides a quarterly newsletter for its more than 7,000 members. The SPS Advisory Panel develops content for the newsletter, established the SPS Web site and is exploring ways to increase the visibility of its constituency. SPS coordinates the 50-Year Recognition Award, an honorary activity for members at least 50 years out of medical school, which features a special group travel program next spring and a luncheon at the Annual Meeting. Finally, the SPS Advisory Panel has submitted to the Board of Trustees a proposed charter, which would formalize their governance and rules of procedure.

Women Physicians Congress - “Women Physicians on the Move: Celebrating our History,” was this year’s September Women in Medicine (WIM) Month theme, recognizing 20 years of AMA activities on behalf of women physicians. State and specialty medical associations were provided with a comprehensive packet of information and AMA/WPC members participated in related events across the country. Women continue to show steady growth in AMA membership and membership in the WPC has grown to more than 25,000 physicians and medical students. Monthly “blast e-mails” and periodic mail bulletins are used to inform the members of pertinent WPC and AMA activities. The WPC continues to actively represent the AMA in key women’s health initiatives, including recent presentations to the Society for Women’s Health Research and the American Medical Women’s Association. Efforts are underway to assemble a new Governing Committee through the first election by WPC members. Nominations have been received from the federation and the WPC members.

Foundation and Corporate Relations

The Foundation and Corporation Relations group is setting strategies for relationships with foundations and corporations to broaden support for selected AMA programs. The group also serves in an advisory role to senior management and the Board of Trustees on corporate relations matters. The group is responsible for the corporate review process, the principles and guidelines for corporate relationships, and the review of corporate arrangements for conformance to guidelines. The corporate guidelines have been widely distributed throughout the AMA and incorporated into the AMA’s administrative policies.

The group currently has fundraising responsibilities for a wide range of AMA activities, including the National Leadership Development Conference, Health Sector Assembly, Internet Health Road Show, media briefings, Science Reporters Conference, awards and education programs. Nearly all AMA opportunities are included in a fundraising publication called “Advancing Medicine and Public Health: Opportunities to Work with the American Medical Association.”

AMA Foundation - In keeping with its mission of advancing health care through support of education, research and service programs at home and abroad, the AMA Foundation’s commitment to the medical community has never been stronger. In addition to providing more than \$2 million in support for medical education this year, the Foundation has launched several new programs. The Seed Grant Research Program provides funding to medical students and young physicians for applied and clinical research projects. The Leadership Development Program provides opportunities for medical students and residents to participate in educational and leadership programs within organized medicine. Similarly, the Community Service Program helps to support projects that seek to improve patient care and respond to the needs of communities in health education and preventive health programs.

Today, the AMA Foundation is directing its focus to programs that strengthen the patient-physician relationship. Although this is a broad and multifaceted arena, the Foundation will begin its efforts by introducing its first

multiyear Signature Program. This program will address the need for new and meaningful models for patient-physician interaction and highlight the need for patients to be able to partner with their physicians in health care.

Additionally, the Foundation will celebrate its 50th anniversary during the coming year and plans a number of special events to commemorate its numerous accomplishments.

Corporate Services - Careful management of AMA building and meeting/travel services continues to result in both direct and indirect savings. The Archives increased its profile as a valuable tool and resource to AMA members, the Federation and staff by expanding its Web page, increasing exhibit presence at medical society meetings, and instituting operational changes that make the Archives more accessible and researcher-friendly. Distribution Services has initiated a Mail Preparers Group to make staff more knowledgeable about mailing lists and postal regulations to maximize the AMA's use of postage dollars. Travel and meeting management savings include indirect savings of \$3.2 million in convention room rates and airline ticket costs.

PROFESSIONAL STANDARDS

The Professional Standards Group continues to focus its efforts on providing physicians with the foundations of professionalism. The group's strategic plan provides a continuum of support for the medical profession that 1) stresses the encouragement and development of medical knowledge, 2) integrates that knowledge into medical practice and public health, 3) measures and analyzes clinical outcomes to improve medical performance and knowledge, and 4) encourages refinement of health and medical practice based on evaluation and data. The Professional Standards Group is uniquely organized to implement this continuum of professionalism through the following areas:

1. Science, Technology and Public Health Standards
2. Medical Education
3. Quality and Managed Care
4. Ethics Standards
5. National Patient Safety Foundation

Science, Technology and Public Health Standards

The Science, Technology and Public Health Standards area is charged with promoting medical science, collecting that knowledge and disseminating it to physicians. It is also responsible for our public health advocacy initiatives that bring medicine and public health together.

Special Themes to Promote the Health of the Public

Youth and School Violence - To study the context, causes and solutions for youth and school violence, the AMA has convened a partnership with the American Academy of Pediatrics, American Academy of Family Physicians, American Psychiatric Association, American Academy of Child and Adolescent Psychiatry, American Public Health Association, American Nurses Association, AMA Alliance, American College of Physicians/American Society of Internal Medicine and the office of the U.S. Surgeon General. A "Report to the Nation" containing recommendations for action will be issued in mid-2000.

Family Violence - The AMA's Family Violence Advisory Council met in Chicago in October. Representatives from nearly 40 medical specialty societies discussed a variety of issues, including violence prevention in the medical workplace, how best to address the needs of victims of family violence, and the possibility of expanding the AMA's successful series of violence prevention guidelines.

Firearm Safety - By November, 70,000 copies of the AMA's "Physician Firearm Safety Guide" had been distributed to physicians. This guidebook, the eighth in the family violence series, covers the epidemiology of firearm injuries and deaths, clinical risk assessment, management of high-risk situations, and patient/parent education and counseling.

Alcohol - The AMA's 12-state "Reducing Underage Drinking Through Coalition" (RUD) grantees held a national youth convocation to train youth activists. RUD and AMA's "A Matter of Degree" college programs received extensive press coverage on their focus on youth drinking problems as the new school year started. Additional

activities included successful efforts to persuade the Red Robin restaurant chain to stop alcohol marketing practices attractive to children and working with Wal-Mart to change its beer keg registration processes. The AMA worked in Washington, D.C., to include alcohol issues in the national war on drugs and provided input on proposed new federal methadone maintenance treatment guidelines, which would provide greater physician participation in service provisions. The AMA also signed a national petition to the Bureau of Alcohol, Tobacco and Firearms requesting greater clarity on alcohol health warning labels.

Tobacco Use Prevention and Control - In October, the AMA sent state and medical specialty executive directors the final version of the CDC's "Best Practices for Comprehensive Tobacco Control Programs," which details the elements of statewide, comprehensive tobacco control programs, along with other materials on the settlement from the National Center for Tobacco-Free Kids. State medical society presidents were sent a separate letter about the settlement and the information that had been distributed, urging action on the issue.

The AMA SmokeLess States National Program Office and the National Center for Tobacco-Free Kids, along with the American Cancer Society, the American Heart Association and the American Lung Association, sponsored a conference in Chicago in October called "Show Me the Money." This conference was an in-depth review of the Master Settlement Agreement funds issue, and included sessions on getting medical societies involved with the settlement, participating in legislative hearings, using media for advocacy, and other topics. Approximately 100 people from nearly every state - including representatives from four state medical societies and the AMA federation relations and state legislation staff - attended the meeting.

During 1999, the AMA SmokeLess States National Program Office, with funds from the AMA Foundation dedicated to tobacco control "special opportunities," awarded grants of about \$60,000 each to five grantee state coalitions and nine non-SmokeLess States groups to develop a state tobacco control plan and generate recommendations for settlement spending. Their respective state medical societies were notified of these grants and encouraged to join the effort. An article in *American Medical News* discussed this activity.

Planning for the 11th World Conference on Tobacco or Health, August 6-11, 2000, in Chicago, continues to accelerate, including a Web site, <http://www.11wctoh.org>. Grants from the Rockefeller Foundation, the United Nations Foundation, and several federal agencies have been pledged. The preliminary program agenda should be mailed just after January 1. Planned special events include the first international awards for tobacco control. Gro Harlem Brundtland, MD, director general of the World Health Organization, will open the conference. Theme issues on tobacco by both *JAMA* and the *British Medical Journal* will be published in conjunction with the conference. The AMA, the American Cancer Society, and the Robert Wood Johnson Foundation are the conference host organizations.

The AMA, the National Center for Tobacco-Free Kids, several medical specialty societies and other organizations placed advertisements in major newspapers on tobacco issues. One ad questioned the continued partnership in youth tobacco education of the National 4-H Council and Philip Morris. Another was an "open letter" to Philip Morris concerning its new public relations campaign and Web site, calling on the firm to make meaningful commitments to reducing tobacco consumption among youth.

Health Needs of Medically Underserved Populations

Child Health Initiative - The Child Health Initiative, with leadership from the American Academy of Pediatrics, American College of Obstetricians and Gynecologists, American College of Medical Genetics, AMA Alliance, Centers for Disease Control and Prevention, and National Institute of Child Health and Human Development Research Institute, was launched in 1999. An invitational conference was held in November to focus attention on key developmental and health issues of four age groups: prenatal, infancy, childhood and adolescence.

Special Needs of the Elderly - More than 32,000 copies of the second edition of the AMA's "Guidelines on the Medical Management of the Home Care Patient" have been ordered by AMA members, nonaffiliated physicians and other health care professionals. This booklet has sections on determining medical necessity, frequency and duration of services, initial evaluation for home care, oversight of services and recognizing fraudulent practices. A panel of experts, including representatives from the American Academy of Neurology, American College of Medical Genetics, American Geriatrics Society, American Psychiatric Association and the National Medical Association, assisted in the development of another booklet, "A Practical Guide for Primary Care Physicians on the Diagnosis, Management and Treatment of Dementia." More than 2,000 copies were ordered in the first two weeks after

publication. The AMA continues to participate in the Health Care Financing Administration-sponsored Coalition for Quality in Medication Use.

Special Needs of Adolescents - A physician's manual for treating adolescent patients who are moderate drinkers is being developed by the AMA under a grant from the National Institute on Alcohol Abuse and Alcoholism. The AMA is working with AMA Solutions on sponsoring training programs to assist physicians to implement the AMA Guidelines for Adolescent Preventive Services (GAPS). The AMA's National Coalition on Adolescent Health met in Washington, D.C., in December. The AMA Child and Adolescent Health Program's Partners in Program Planning for Adolescent Health (PIPPAH), supported by the Maternal and Child Health Bureau, continues to initiate activities designed to build a multidisciplinary infrastructure to improve the health status of adolescents.

Educating Physicians and the Public

Bioterrorism - Implementing the recommendations of the Council on Scientific Affairs (CSA) 1999 report on organized medicine's role in the national response to terrorism, the AMA will co-sponsor the Western Regional Conference on Bioterrorism in San Diego in February 2000. The CSA is also working with the U.S. Department of Defense, which is planning a major conference for April 2000 on community-based disaster planning efforts to confront potential bioterrorist threats. The AMA also will co-sponsor this event.

Internet - An alcohol and tobacco section, Resources on Alcohol and Tobacco, has been launched on the AMA Web site. Information on the safety of the hepatitis B vaccine and on blood transfusion is provided on the AMA's consumer health Web site. An infectious disease Web site for physicians also has been added to the AMA Web site; this includes information on the ongoing federal Hepatitis C Lookback Program. The Council on Scientific Affairs (CSA) Web site provides summaries of all 100 CSA reports produced by the CSA from 1994 through June 1999. The full text of 44 of these reports is also posted, as well as complete bibliographic information for the 54 CSA Reports published between 1991 and the present.

Physicians' Health - The AMA has begun laying the foundation for the 2000 International Conference on Physician Health, to be held in March 2000 in South Carolina. The theme, *Recapturing the Soul of Medicine*, will incorporate issues of stress and burnout along with other problems that interfere with the delivery of good care to our patients.

Science in Clinical Practice

Organ Donation - The AMA's organ donation campaign "Live and Then Give" is off to a successful start with a number of state medical societies and state alliances initiating state campaigns. Because organ donation is a local phenomenon, the goal of the AMA's campaign is to facilitate the launch of state campaigns by providing resources to state medical societies and state AMA Alliance chapters to promote greater organ donation awareness among physicians. The third and last part of the resource packet will be distributed at the end of 1999. A survey will be undertaken to see how many states have launched campaigns and determine what else the AMA can provide to facilitate the success of these campaigns.

Drug Policy - Drug-policy issues that the AMA continues to address include drug formularies, electronic prescriptions, Internet prescribing, prescribing of controlled substances for pain, immunization of adults and children, therapies for asthma and foodborne illnesses, patient medication information, medication errors, direct-to-consumer advertising of prescription drugs, the professional package insert, off-label uses, dietary supplements, genetically engineered foods, and selected issues in infectious disease (e.g., Hepatitis C, use of safety needles).

United States Adopted Names (USAN) - As an additional mechanism to decrease the potential for medication errors attributable to similarity of nonproprietary names, as of July 1999, the USAN Council has been working with the University of Illinois, using the university's computerized drug-name screening program to eliminate, prior to adoption, any name that could result in medication errors. The USAN Program staff continues to participate with the Institute for Safe Medication Practices in reviewing new brand names to prevent confusion and protect patient health.

Genetic Medicine - A Federation-wide survey of medical specialty societies on current and future continuing medical education (CME) activities in genetic medicine reveals widespread recognition that more and better integrated programs that recognizes the role of genetics are needed. Results of the study were presented at the American Society of Human Genetics and the 2nd National Conference on Genetics and Disease Prevention. Partner

specialty societies are being recruited for development of pilot projects. The AMA is participating in the Secretary of Health and Human Services' Advisory Committee on Genetic Testing, which is advising on regulatory and ethical issues in genetics.

Clinical Research - The Clinical Research Summit concluded in November with the release of a final summary "Call for Action" and announcement of the establishment of the Clinical Research Roundtable under the auspices of the Institute of Medicine and the Commission on Life Sciences of the National Academy of Sciences. A workshop on clinical trials and ethics of clinical trials, organized by the Council on Scientific Affairs (CSA), was held at the AMA All-Council/Board of Trustees meeting in August. The AMA is conducting a survey of Federation members on the "Top 5 Clinical Issues," results will be available in early 2000.

Guides to the Evaluation of Permanent Impairment - The fifth edition of the AMA's "Guides to the Evaluation of Permanent Impairment" is nearing completion and will be released during the first quarter of 2000. Chapters have been updated and made more consistent and easier to use.

Medicine and Public Health

Medicine/Public Health Initiative - Nineteen state and local health projects are funded by the Medicine and Public Health Initiative (M/PH), co-chaired by the AMA and the American Public Health Association (APHA) under the state-level Cooperative Actions for Health Program (CAHP). Medicine and public health cooperative actions under CAPH include state public health associations and state medical associations joining forces for asthma control and prevention of domestic violence. The AMA and the APHA co-chair the Medicine/Public Health Coalition, which meets twice yearly.

Medical Education

Medical Education is the Group's unit responsible for the development, promulgation and implementation of policies fulfilling the profession's responsibility to ensure the competence of its members. Guided by the Council on Medical Education, the unit addresses issues related to accreditation, publication of educational data, professional development, workforce, and cultural competence. Medical Education is the key liaison with the Accreditation Council for Graduate Medical Education and the Accreditation Council for Continuing Medical Education, and with the AAMC, the Liaison Committee on Medical Education.

Environment of Medical Education

Assessing the Impact of Health System Changes - The Council on Medical Education has appointed several task forces to examine how health system changes are impacting medical education across the continuum. The task forces will address the learning environment for medical students and resident physicians, the roles and responsibilities of faculty, and the resources and funding of medical education. Options and strategies for remedying problems will be identified.

Complementary Health Care Practices - The AMA recognizes increased interest in complementary, alternative, unconventional and integrative health care and encourages physicians to become better informed regarding these practices. The AMA continues to collect data from medical schools on required and elective experiences in alternative and complementary health care practices. This information is being summarized so that it can be provided to all medical schools. The AMA will continue to monitor progress in curriculum development.

Role of Managed Care in Medical Education - The AMA believes that the changing medical marketplace emphasizes the need for participation of managed care organizations in medical education, as long as an appropriate balance is maintained between the objectives of managed care organizations and teaching. Targeted activities include encouraging public and private funding for demonstration projects directed at teaching medical students and resident physicians about all types of delivery systems.

Annual Updates in The Journal of the American Medical Association (JAMA) - The annual medical education theme issue of *JAMA* contains data and articles with workforce and other policy implications and serves as a major contribution to medical education literature. The 2000 medical education issue will focus on how medical education is addressing the internal and external challenges to the profession of medicine.

Physician Workforce Issues

Resident Physician Organization and Representation in Sponsoring Institutions - As a result of recommendations by the AMA, the ACGME has reviewed and revised some of the basic issues of resident representation and employment matters in the ACGME Institutional Requirements. An advisory committee on residency advocacy has been established with representation from the Council on Medical Education, Section on Medical Schools, Resident and Fellow Section and the Medical School Section. The purpose of the advisory committee is to promote principles and alternative models for housestaff organizations and to provide a system for support for resident physicians with individual concerns related to their positions.

Graduate Medical Education (GME) Funding and Workforce - During the 1999 AMA National Leadership Development Conference, the Council on Medical Education held an open hearing on GME funding and the size of the educational pipeline for physicians. The results of the review of policy were summarized in a report that was presented to the AMA House of Delegates in June. The report reaffirmed support for the Consensus Statement on Physician Workforce and made recommendations regarding the number and support for GME positions. It also continued to support adequate funding for teaching institutions through adjustments to the Balanced Budget Act of 1997.

Expanded GME Data Reporting - In addition to the annual "Graduate Medical Education Directory," available in a 1,200-page paper version and on CD-ROM, the AMA publishes "State-Level Data for Accredited Graduate Medical Education Programs in the U.S." and "Characteristics of Accredited GME Programs and Resident Physician by Specialty," which displays data for 94 GME specialties and subspecialties.

Collaboration in Data Collection - The AMA continues to work with several medical societies and professional organizations in the annual survey of graduate medical education. A new agreement has been established between the AMA and the AAMC to continue to conduct a joint survey of graduate medical education. The new survey will be web-based and completed by program directors online. Program information will be collected through a link to FREIDA Online. The GME data are published annually in the medical education theme issue of *JAMA*.

Curriculum and Professional Issues

Cultural Competence of Physicians - The AMA is responding to dramatic changes in the nation's demographics and in health care delivery systems with a broad-based initiative to address cultural competence issues that impact the patient-physician relationship. The premiere edition of the *AMA Cultural Competence Compendium (CCC)*, published in June, is a resource to enhance the ability of physicians to provide individualized care that respects the multiple cultures of their patients. The Medical Education staff is involved in developing cultural competence standards and curriculum materials.

Career Counseling Initiative for Medical Students - In collaboration with the Association of American Medical Colleges, the AMA has developed MedCAREERS, which provides career and specialty information to medical students. Starting in the 1999-2000 academic year, the information is being delivered through Web-based materials and educational programs at individual medical schools.

Contract to Evaluate UME-21 Initiative - The AMA is collaborating with the Center for Medical Education Research at Jefferson Medical College to evaluate the UME-21 initiative at eight medical schools. UME-21, which is funded by the Health Resources and Services Administration, aims to change the clinical phase of medical education to better prepare students for practice in the changing health care environment. The evaluation runs through 2001.

AMA Medical School Visitation Program - The visitation program provides the Board of Trustees with a unique avenue for receiving information about two-way communication with medical school faculty, deans, residents and students, and builds closer ties with the academic community. The number of visits per year has increased from six in 1986 to 18 in 1999, with a total of 116 visits to 93 different schools.

FREIDA Online - The interactive menu in FREIDA Online (Fellowship and Residency Electronic Interactive Database Access) allows users to access extensive information on 7,900 ACGME-accredited residency programs, including compensation and other benefits, work schedule, resident-to-faculty ration and education environment.

The latest version available in February 2000 contains workforce data and summary statistics by specialty. Medical student and resident physician AMA members are still able to receive up to 30 free program director mailing labels.

Training for Residency Program Directors - The Council on Medical Education and its Graduate Medical Education Advisory Committee will be coordinating the development of educational materials for residency program directors to inform them of legal issues related to resident discipline and dismissal.

AMA CME Locator and Online Activities - The CME Online Locator is a database of more than 2,000 national AMA category 1 activities by the ACCME. The Locator also provides convenient access to multiple key data elements about CME activities. Information on the AMA Physician's Recognition Award (PRA) and application forms are online as well as the CME needs assessment survey.

AMA Continuing Medical Education Resource Guide - The *Guide* (formerly the *Continuing Medical Education Directory*) is now available on the AMA Web site and provides a wealth of information on the many facets of CME planning and participation.

Physician as Learner - The AMA convened the leading researchers in continuing medical education to discuss the literature on translation of new knowledge into clinical practice, and

CME Provider/Industry Collaboration - The AMA hosted the 10th National Conference on CME Provider/Industry Collaboration in September. The conference, Opportunities for Effective CME: Translating Physician Learning into Practice, featured a series of prominent speakers, including Jane E. Henney, MD, the commissioner of the FDA.

CME Credit for Journal Study - Seven AMA journals now offer AMA PRA category 1 credit: *JAMA*, *Archives of Family Medicine*, *Archives of Dermatology*, *Archives of Internal Medicine*, *Archives of Neurology*, *Archives of Ophthalmology* and *Archives of Surgery*.

Scope of Practice - The Council on Medical Education addresses, in a report for the I-99 meeting, the increasingly important topic of the roles and scope of clinical practice of nonphysicians and outcomes data on the quality of care by physicians and unsupervised nonphysicians.

Licensure Publications - "U.S. Medical Licensure and Requirements by State," an improved annual publication now desktop published by the Medical Education staff, includes key state-by-state statistics on licensing requirements, fees, license renewal, continuing medical education requirements, number of physicians licensed and exam pass/fail percentages.

Genetics Education for Health Professionals - The AMA continues its support of and involvement in the National Coalition of Health Professional Education in Genetics (NCHPEG) with a seat on the Steering Committee. NCHPEG serves as a forum for the exchange of information, the creation and sharing of genetics education resources, and the consolidation of commitment among health professional leaders to the urgent need for education in genetics. The AMA will participate in developing tools and resources to integrate genetics content and technologies into the knowledge base of health professions.

Accreditation Processes and Related Health Professions

Affiliation with Accrediting Bodies - The AMA continues to play a fundamental role in setting standards for medical education and ensuring adherence to these educational standards through sponsorship of the Liaison Committee on Medical Education, Accreditation Council for Graduate Medical Education, and Accreditation Council for Continuing Medical Education.

Health Professions Education Database and Standards Publication - The AMA is the only U.S. organization that has collected and disseminated information on educational programs for multiple disciplines related to medicine, or "allied health" fields. The "Health Professions Education Directory" provides information on more than 5,800 accredited programs and their 2,800 sponsoring institutions (which enroll more than 210,000 students) in 52 professions. "Health Professions Standards," published in June 1999, contains copies of the official accreditation standards for 47 health professions, which had never before been published together.

Quality & Managed Care Standards

The mission of the Quality & Managed Care Standards Group is to continuously improve the quality of health care by 1) developing standards for physician performance and conducting programs to recognize physicians who meet those standards; 2) providing physician leadership in the accreditation of health care organizations; 3) evaluating and disseminating scientifically valid clinical practice guidelines; 4) providing advocacy, guidelines and technical support for physician driven managed care initiatives; and 5) advocating for public policies that support and protect the quality of health care.

American Medical Accreditation Program® - AMAP® -- The mission of AMAP is to 1) continuously improve the quality of medical care delivered to patients by establishing standards for physician quality, evaluating the performance of individual physicians against those standards, and providing information to meet and exceed those standards; 2) to improve the efficiency and validity of physician credentialing and performance measurement activities by eliminating unnecessary duplication and redundancy in data collection and verification; and 3) to support patient, physician and purchaser choice.

AMAP Governance -- The AMAP Governing Body met four times in 1999 and elected an executive committee to help facilitate AMAP needs in a fast-paced environment. Members of the Executive Committee are Randolph D. Smoak Jr., MD, chair; Timothy T. Flaherty, MD; A. Frederick Schild, MD; Gary F. Krieger, MD; and Bernard M. Rosof, MD.

AMAP Implementation Activities/ Accredited Physicians -- As of November, AMAP is operational in the District of Columbia, Connecticut, Hawaii, Idaho, Massachusetts, Montana, New Jersey and Utah. In addition, the Iowa Medical Society has signed a sponsorship agreement.

During August 1998 through the third quarter 1999, the AMAP Governing Body (AGB) Accreditation Review Committee acted on the accreditation status of 2,366 physicians. Of those, 1,683 (71 percent) were accredited having met all required standards and attaining at least the minimum number of the points for the supplemental standards. An additional 683 physicians (29 percent) were not accredited because one or more required standards were not met, the minimum number of supplemental points was not attained, or both.

Clinical Process and Patient Outcomes - The AMAP Performance Measures Advisory Committee (PMAC), Specialty Advisory Committee (SAC), and Specialty Forum (SF) continue to provide methodological and clinical expertise toward the development of these components of AMAP. Volunteers from these advisory committees participated on several Work Groups in the past year, including Criteria, Risk Adjustment, Adult Diabetes, and, most recently, Chronic Stable Angina and Prenatal Testing.

Based on recommendations from the PMAC, SAC, and SF, the AMAP Governing Body approved the "Criteria for AMAP-compatible Physician Performance Measurement Systems." AMAP staff is preparing accompanying materials to enable a "call for AMAP-compatible systems" in early 2000.

In addition, the AMAP Governing Body approved the first AMAP measurement set: "The AMAP Adult Diabetes Core Physician Performance Measurement Set." This measurement set represents a consensus of 16 clinical and methodological experts on the AMAP Adult Diabetes Work Group, as well as all members of PMAC, SAC and SF. Work Group members benefited from comments received through a public comment period as well. AMAP-compatible systems working in the field of diabetes will be required to incorporate the AMAP cores measures into their systems.

In the year 2000, PMAC, SAC and SF expect to complete work on a Risk Adjustment position paper and measurement sets for Chronic Stable Angina and Prenatal Testing. Additional topics for Work Groups will be selected during the next joint meeting of the Committees in first quarter 2000.

AMAP Publications/Communications - The following printed pieces were developed to meet the needs of AMAP applicants:

- "Guide to Written Policies and Procedures," which assists AMAP applicants with the environment of care site review, the most problematic area of the AMAP accreditation process.

- “10 Steps to a Successful Office Site Review,” which consisting of a chart and an explanation to assist an applicant physician’s office staff to prepare for the EOC site review.
- “AMAP Information Resources Sheet,” included with the AMAP application; describes the resources available to the applicant to prepare for the accreditation process.
- “Self-assessment for AMAP Accredited Physicians Who Move,” developed for accredited physicians who move their primary office site. Completion and submission of the self-assessment assures compliance with the EOC site review requirements and maintains the physician’s accreditation status, until the next full accreditation cycle.
- Communication Kit for Accredited Physicians, a kit of materials, including sample press releases, letters to patients, hospitals and health plans, and statements for individual physician Web sites and correspondence were developed to assist accredited physicians in communicating their status to their patients, the community and health plans.
- AMAP Web site, has undergone regular maintenance and has also expanded. “The 1999 Standards, Reference Manual” and “A Guide to Required Written Policies and Procedures” are currently present on the AMAP Web site and are able to be downloaded. A new feature, AMAP Educational Messages, has been established and currently features tips on how to prepare for the EOC site review and patient record review. AMAP press releases, AMAP’s mission statement, recent AMAP Fax Updates, and information on the call for comments on the AMAP Adult Diabetes Physician Performance Measurement Set are also part of AMAP’s Web site.

Approved AMAP Self-Assessment Programs - The AMAP Self-Assessment Program Review Committee has approved 45 programs. Medical specialty or content area of these programs are: cardiology; emergency medicine; endocrinology; family medicine; gastroenterology; internal medicine; medical practice management; nuclear medicine; obstetrics and gynecology; ophthalmology; orthopaedic surgery; pathology; physical medicine and rehabilitation; plastic surgery; radiation oncology; radiology; and ultrasound medicine. Two additional programs have been received and are awaiting review.

The 2000 Clinical Performance Measurement Directory -- Published in November, this directory includes descriptions of more than 330 clinical performance measurement activities from approximately 180 physician organizations and others.

Performance Measurement Coordinating Council - The PMCC, a collaboration among AMAP, the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and the National Committee for Quality Assurance (NCQA) will hold its fifth meeting on December 13, 1999. The Council has established a PMCC Diabetes Clinical Logic Work Group, which includes experts nominated by AMAP, JCAHO, and NCQA. The Work Group, which met for the first time on November 16, 1999, is charged with determining if single data collection for diabetes measures with different purposes is feasible, and if so, what specifications are required. Single data collection for multiple purposes holds the promise of reducing burden on physicians and reducing costs for data collection across the health care system. The PMCC expects to form two additional condition-specific work groups shortly.

National Forum for Health Care Quality Measurement and Reporting (National Forum) - The National Forum is a not-for-profit membership organization created to develop and implement a national strategy for measuring and reporting health care quality. AMAP, as well as JCAHO and NCQA, hold non-voting, liaison seats on the National Forum Board. The AMA is a member of the forum.

The Practice Guidelines Partnership - Formerly Practice Parameters Partnership, the Practice Guidelines Partnership has expanded its invitees to include the American Association of Health Plans, and updated its mission to include coordination of clinical practice guidelines in the context of clinical quality improvement.

Clinical Quality Improvement Forum - CQFI is a national level conference that incorporates a discussion of issues across the quality continuum, including clinical practice guidelines, performance measures, and outcomes. CQIF has met twice this year. National experts, including Doctors Mark Chassin, John Eisenberg, Lucian Leape and John Wennberg, have made presentations to the Forum. Medical necessity, variations in patient care, and medical error are but a few of the issues addressed by the Forum this year.

The 2000 Clinical Practice Guidelines Directory - This directory, at press now, will include more than 2000 guideline listings from approximately 90 physician organizations and others.

National Guideline Clearinghouse™ (NGC™) - The AMA continues to work with the Agency for Health Care Policy and Research and the American Association of Health Plans on the Internet-based National Guideline Clearinghouse™ (NGC™). As of November 1999, almost 600 guidelines were available through the Web site—www.guideline.gov. The AMA has surveyed physicians on the NGC to determine their interest in, and use of, the Clearinghouse. Physicians who have used the NGC were very positive about its content/format and the AMA's support of this project.

The Clinical Practice Guideline Recognition Program (CPGRP) - The CPGRP continues to have a slow but steady submission rate. To date, approximately 45 guidelines have been submitted to the program and found to be in compliance with the criteria derived from the "Attributes to Guide the Development and Evaluation of Practice Parameters/Guidelines." The placement of advertisements in AMA publications has elicited a surge of interest in the program.

Quality Care Alert (QCA) - The QCA is a widely disseminated newsletter designed to close the gap between clinical knowledge and practice. The third QCA newsletter is underway—nineteen national medical specialty societies are working on a Colorectal Cancer Screening and Surveillance "Quality Care Alert." It is anticipated that this alert will be sent to more than a quarter of a million practicing physicians in January 2000.

COSMO - The Center on Society-Sponsored Managed Organizations, established in February 1996, provides medical societies interested in MCOs with interactive meetings, expert information on legal and business issues relevant to MCO formation, and strategies, alternatives and business planning for MCO development.

Accreditation Organizations - The AMA continues to play an important role in the accreditation of a variety of health care organizations and programs through participation in other accreditation organizations (American Accreditation HealthCare Commission/URAC, COLA, NCQA and JCAHO). These activities are detailed in a separate Board of Trustees report.

Ethics Standards

The Ethics Standards Division, including the Council on Ethical and Judicial Affairs (CEJA), the Ethics Resource Unit and the Institute for Ethics, is the leading voice on medical ethics in the country and provides the basis of the AMA's professionalism efforts.

Ethics Resource Unit

Council on Ethical and Judicial Affairs (CEJA) - The purpose of CEJA reports and opinions is to provide the moral anchor for the profession. This understanding has guided the suggestion of topics by members and staff, the support of the Open Forum, and the creation of reports. As a result, the Council has been extremely productive and the quality of the reports has been excellent. The House of Delegates at the 1999 Annual Meeting adopted five reports and five more reports have been presented to the Board of Trustees in preparation for the 1999 Interim Meeting. Many reports have been submitted in their entirety for peer review publication (*JAMA*, *Annals of Internal Medicine*, *Pediatrics*, and *IRB*). Others have been submitted as letters to the editors from the Council (*JAMA*, *New England Journal of Medicine*, *Journal of Law, Medicine & Ethics*). All unpublished CEJA reports are available on the new CEJA web page at www.ama-assn.org/ethic/webprpt.htm. Finally, the *Code of Medical Ethics* was distributed to every first year US medical student.

Ethics Forum Column in *AMNews* - Ethics Forum, a monthly column in *American Medical News*, continues to address practicing physicians' questions and dilemmas. Two questions are addressed in each issue; on a rotating basis, responses come from CEJA members, Ethics Standards staff and outside experts and scholars.

Soliciting Physicians' Ethical Attitudes and Knowledge (SPEAK) Initiative - The SPEAK (Soliciting Physicians' Ethical Attitudes and Knowledge) Initiative is designed to assess physicians' attitudes and behavior on a variety of ethics and professionalism issues confronting modern medicine. The goal of the SPEAK Initiative is to "give a voice to America's physicians" on important matters of ethics and professionalism that are being addressed by the Ethics Standards Division and the medical profession as a whole. The SPEAK Initiative will establish a national cohort of physicians that will be surveyed on a periodic basis. The opinions of physicians facing real world challenges in various medical settings will better focus and inform the development of relevant and practical educational outreach, research programs and policy initiatives.

Institute for Ethics

Education for Physicians on End-of-life Care Project (EPEC) - With support from the Robert Wood Johnson Foundation (RWJ), the Education for Physicians on End-of-life Care (EPEC) Project provides practicing physicians with a core set of skills needed to provide quality end-of-life care. Six regional train-the-trainer programs, two of which were specifically designed for the Federation, were offered to 425 physicians and other health care providers. Each of these EPEC trainers is training additional trainers as well as other practicing physicians and residents across the country. In addition to the individuals participating in the EPEC Regional Conferences, all AMA physician members will receive a copy of the EPEC curriculum on CD-ROM as a benefit of their 2000 membership. (Additional copies of the print version and the CD-ROM are available for sale at cost through AMA's Customer Service.) RWJ recently awarded the AMA a one-year continuation grant to support EPEC's groundbreaking work.

Ethical Force (E-Force) Program: Performance Measures for Ethics - This program continues to build bridges with ethicists, academics, clinicians and managers around the country through its innovative research agenda. The Ethical Force (E-Force) mission is: "To improve health care by fostering the ethical behavior of all participants. The Program identifies and promotes ethical expectations and performs research to develop valid and reliable measures of their achievement." The 21-member E-Force Oversight Body includes representatives from numerous relevant groups and it has selected two initial domains for performance measures development: protection of privacy and confidentiality throughout the health care system, and the integrity of systems for benefits determinations. Development and testing of performance measures in these two areas is ongoing. In addition, the E-Force Codes of Ethics project is nearing completion. This consisted of the first-ever complete collection of the Codes of Ethics of every member of the Federation, as well as a number of complete sets of ethics policies from managed care plans and large physician group practices. These codes and policies are being systematically analyzed and compared, and a full report on this research will be available for members in the first quarter of 2000. In addition, a collection of physician group practice mission statements, ethics policies, patients rights statements, and other relevant documents is being prepared for publication and member use. Early in 1999 the E-Force Program conducted a series of focus groups of employer benefits managers, and a set of focus groups with health insurance brokers is now underway, to determine how these key health benefits decision-makers assimilate and use quality information. The results from these groups are being prepared for publication in the peer-reviewed press.

Working Group on Organizational Ethics - The Working Group on Organizational Ethics was formed to study the interactions between clinical and business ethics and to develop a coherent theory of health care organizational ethics. The Working Group was developed to include representatives from business ethics, clinical ethics, institutional ethics, health care organizational administration, and government regulatory agencies. Three meetings of the Working Group have been held to-date. Next month, the paper outlining the theory will be developed and distributed to the members of the ethics community. A final draft of a white paper should be completed by the end of this year.

Genethics Web site - The Genethics Web site will educate the public and physicians on ethical and psychosocial issues regarding genetic testing. The Web site will offer information and personal stories concerning genetic testing for Huntington's Disease, breast cancer and cystic fibrosis. The Web site should be accessible by March 2000 on the Ethics Division home page at www.ama-assn.org/ethic.

Fellowship Program - The Institute's Fellowship Program provides an opportunity for 2-4 individuals each year to start or advance their scholarly pursuits in bioethics through independent research and writings. Fellows participate in the Institute's programs and activities that are related to their studies. Fellows also attend weekly seminars, weekly case consultation conferences, and biweekly journal club activities.

Virtual Mentor - Mentoring is a powerful and time-tested way for people to learn personal and professional skills. Mentors provide individuals with valuable guidance and advice by listening and helping students reflect on personal and professional issues. A collaborative effort of the Institute for Ethics and *Medical Student JAMA*, the Virtual Mentor is an interactive, Web-based forum for analysis and discussion of clinical and professional issues that medical students encounter during their educational training. The Virtual Mentor content areas are designed to inform, awaken, and energize medical students to engage in a learning dialogue with experts in medicine, law, and bioethics. Since its launch in September 1999, the Virtual Mentor has become the most visited component of *Medical Student JAMA* on-line.

Research on Physician Agency - Physicians often are required to maneuver through an increasingly complex maze of issues in order to advance their patients' interests and serve the public good. In a series of 3 national physician surveys, Institute for Ethics researchers and ethicists are exploring how physicians are responding to pressures such as utilization review requirements and financial incentives, and how these pressures affect physicians' actions as their patients' agents.

Publications - In the past 6 months, numerous articles by scholars and researchers at the Ethics Division have appeared in leading peer-reviewed journals. In addition, a book co-edited by Linda L. Emanuel, MD, "The American Medical Ethics Revolution: How the AMA's Code of Ethics has Transformed Physicians' Relationships to Patients, Professionals and Society," was recently published by Johns Hopkins University Press.

The National Patient Safety Foundation at the AMA

The National Patient Safety Foundation at the AMA (NPSF), a three-year-old, independent non-profit organization founded in 1997 by the AMA and others, is dedicated to the measurable improvement of patient safety in the delivery of health care by identifying and eliminating errors in health care that emphasize a systems-learning approach rather than blame.

The NPSF is a collaborative effort between the AMA and diverse stakeholders from throughout the health care community who are committed to reducing avoidable injury and measurably improving the safety of care for all patients. The NPSF is financially supported by the AMA, numerous corporate sponsors, government, and private foundations.

Researchers who study human factors and organizational design opine that the delivery of health care services is the most complex and dynamic human enterprise on the face of the earth. Yet, resources devoted to research and education about the safety and reliability of health care delivery systems pale in comparison to other intrinsically hazardous fields. The NPSF is making rapid and substantial progress in advancing patient safety as an accepted area of inquiry and public interest.

Specific accomplishments in advancing patient safety during 1999 include:

- Advocating a "new look" at errors in health care that emphasizes a systems-learning approach, as opposed to methods that focus only on blame and punishment for mistakes, to numerous national audiences;
- Conducting a series of regional meetings around the country in collaboration with state medical societies and other local leaders to build local patient safety communities;
- Conducting a national policy-focused patient safety workshop in July in Washington DC to heighten awareness of the issue and engage key leaders from across the country to take action to improve patient safety;
- Convening a group of national authorities concerned with reducing medication errors, following a process to identify problems and potential solutions, and establishing Pharmaceutical Safety as a national priority;
- Developing the voice of patient safety through the publication of a quarterly newsletter, "Focus on Patient Safety," a biweekly News Brief e-mail news update, a bibliography, special publications, and a web site; and
- Continuing the research grant program that invited the submission of research proposals with the potential to advance patient safety, with four grants to be awarded in December 1999, including one honoring the memory of James S. Todd, MD.

The NPSF is grateful for the ongoing support of the AMA.

COMMUNICATIONS AND CORE IDENTITY

Member Communications

New department structure

In early 1999, the Department of Member Communications expanded its staff and reorganized its reporting structure and product lines to enhance communications with AMA members. The department has embarked on exciting new partnerships with other key AMA groups - including Federation Relations, Professional Relations and Membership - in an effort to better coordinate all communications intended for AMA audiences.

New publications and other projects produced by the department include:

- “E-mail News Briefs,” an electronic newsletter for AMA members. This weekly e-mail news alert for AMA members who use e-mail is electronically transmitted to 60,000 physicians. An effort is under way to add e-mail addresses to this list. “E-mail News Briefs” offers diverse, value-added news in a concise format that automatically links readers to the AMA Web site for more extensive information.
- “AMA/Federation News,” an electronic newsletter for Federation leaders. This biweekly electronic newsletter, produced in close collaboration with AMA Federation Relations, brings members of the Federation (executives and presidents at state, local and specialty societies; AMA Alliance leadership; AMA Board of Trustees) timely news and useful information from the AMA. The newsletter is supplemented by e-mail “alerts” transmitted to the Federation during crisis situations or when there is breaking news to share.
- “Meeting Highlights,” an on-site newsletter for the AMA House of Delegates. This newsletter, with a total distribution of 1,200, is intended to provide delegates and alternate delegates with information on significant House actions that they may pass on to their member constituents. In addition to the newsletter, Member Communications is developing new strategies to more effectively utilize the House of Delegates as a key strategic resource for communication of positive AMA information to members.
- “AMA Physician,” a targeted newsletter that is being pilot-tested in select states. Developed as a member benefit in several test states, “AMA Physician” offers concise, value-added information in a format that places a strong emphasis on “news you can use.” Readership studies are underway to test response to this new communications vehicle.
- “AMA Young Physician” and “AMA Medical Student,” targeted section newsletters. Member Communications has created customized newsletters for the AMA’s various special sections (Medical Students Section, Young Physicians Section, etc.), which are being “rolled out” section by section. “AMA Young Physician” and “AMA Medical Student” are the first of the newsletters, offering concise news and an emphasis on developing “two-way” communication between section leaders and their constituents.
- Communications Briefings, “news sharing” meetings for AMA staff. These regularly scheduled “news exchange” meetings, open to all AMA departments, encourage the integration and synergistic distribution of AMA information externally to members. The meetings have been credited with helping to break down “information silos” at the AMA.

Ongoing projects and publications:

- AMA for You and AMA Action - “AMA for You” runs every other issue in *American Medical News*. “AMA Action” is a two-page feature that runs the final week of each month in the *Journal of the American Medical Association*. Stories and graphics highlight AMA advocacy, news about the Federation, AMA initiatives and benefits of AMA membership.
- Reports to Members - Special reports are produced periodically for AMA members and the public. The most recent report, titled “Is it good medicine?”, was distributed at the Annual Meeting of the House of Delegates last June.
- Voice of the AMA and From the President Web sites - “Voice of the AMA” includes text of major speeches by AMA leaders and electronic versions of the publications “AMA for You” and “AMA Action.” Features in “From the President” include monthly messages from the president on current issues in organized medicine, an electronic forum allowing AMA members to discuss these issues and news about the president’s activities and appearances. The site also provides the opportunity to communicate with the president directly by e-mail.
- Support for AMA campaigns - Member Communications played a vital role in supporting special AMA advocacy campaigns, including national efforts to pass a strong patients’ rights bill and promote Medicare coverage and payment fairness legislation. The department produced comprehensive materials, including press releases, op/eds, talking points, speeches, print advertisements, displays and targeted blast faxes and e-mails.

Executive Speaker Program

This year, the speechwriting team has serviced a new record of more than 300 requests for speeches, written pieces and background packets on the topics of membership, public and private sector advocacy, the Patients' Bill of Rights, health system reform, improved access to care, the future of medicine/medicine in the new millennium, core issues of professionalism and ethics, public health initiatives, legislative priorities, Medicare, fraud and abuse, health care financing, women in medicine, direct-to-consumer advertising of pharmaceuticals and Internet medicine, as well as important AMA activities (e.g. the AMA Vision, "Is It Good Medicine?" communication activity, AMAP, The National Patient Safety Foundation at the AMA, EPEC-Education for Physicians on End-of-life Care, the Ethics Institute, Physicians for Responsible Negotiation and the Cultural Competence Initiative).

With the help of the Executive Speaker Program, in 1999 AMA leaders spoke to a record total of more than 50 major national and international community and educational forums of civic, academic and opinion leaders. Independently validating the strategic national importance of the AMA message, this year, several AMA speeches were once again featured in the prestigious *Vital Speeches of the Day*.

Public Information

Advocacy Support - During 1999, the Department of News and Information continued to provide strategic communication strategies and proactive media support for the AMA's advocacy efforts. Effective use of staff, resources and activities - including editorial board visits to *USA Today*, the *Washington Post*, *Los Angeles Times*, *Orlando Sentinel*, *Houston Chronicle* and *Miami Herald*; news conferences, media briefings, op-ed pieces, letters-to-the-editor, news releases and statements - helped advance AMA messages on key socioeconomic and public health initiatives.

Media Coverage - News and Information handles approximately 150 calls per week and has garnered major media coverage for the AMA's initiatives and policy positions on a wide range of important health care issues such as the Patients' Bill of Rights, PRN, privacy and confidentiality issues, Internet prescribing and others. With trustees as spokespersons, the AMA was featured in a number of major national print, broadcast and electronic news stories.

Ethics - Communications continues to play an essential role in promoting the AMA's position on physician-assisted suicide, and the ethics of treating terminally ill patients. News and Information continues to promote Education for Physicians on End-of-Life Care (EPEC), a comprehensive, long-term initiative to educate the nation's physicians on how to better care for dying patients.

Patients' Bill of Rights - News and Information used an array of mechanism to educate the Congress, the media and the public about the essential elements of patients' rights legislation. Some of the communications tools included news conferences, radio spots, op/eds, print advertisements, news releases and statements.

Physicians for Responsible Negotiation (PRN) - PRN was one of the biggest AMA stories of the year, and News and Information received hundreds of media hits throughout the country - more than 500 between June 23-25 alone. Television stations across America mentioned news of the national negotiating organization on their broadcasts, and coverage continued to be extensive when PRN was named and board members were assigned.

Tobacco - News and Information continues to provide spokespeople on the tobacco issue. We will also be directly involved in the World Health Conference on Tobacco to be held in Chicago in August 2000.

Digital Credentials and Medem.com - Two new initiatives developed by the AMA received strong media coverage and were supported by News and Information, which provided spokespersons, Q&A, remarks and backgrounders.

Science News

Weekly Publicity - The Science News Department produces 48 news release packets during the year to highlight news from *JAMA*, the *Archives Journals*, *AMNews* and the AMA itself. The packets are sent to more than 2,500 reporters and medical institutions around the world. The packet is available on an embargoed basis to registered reporters on EurekAlert!, the Web site run by the American Association for the Advancement of Science. It is also available post-embargo to physicians, reporters and consumers on the AMA's *JAMA* and consumer Web sites. The

department also produces one video news release per week, seen by an average of 28 million Americans, highlighting an important story in *JAMA* or an *Archives* journal.

Major stories from *JAMA* that have been promoted over the past six months include:

- Obesity
- New Technologies in Medicine
- Heart Disease

The publicity generated positive impressions of the AMA in practically all forms of media.

AMA Radio News - The Science News Department also produces daily audio segments for AMA Radio News, which is the AMA's radio report used by 400 radio stations across the United States. The department also produces a one-minute segment on current *JAMA* consumer-oriented information for "Radio Health Journal," a half-hour radio health program heard in more than 180 U.S. markets, including the top 25 U.S. cities. Approximately 2.3 million listeners hear AMA Radio News each week through Radio Health Journal.

Media Briefings - The Science News Department coordinated several very successful media briefings, most coinciding with articles appearing in *JAMA*. Authors of newsworthy research were invited to present their findings. Recent briefings include:

- The 18th Annual Science Reporters Conference, held at the University of California, Los Angeles, was covered by more than 50 reporters and generated millions of favorable impressions for the AMA. Presentations included AMA Trustee Yank D. Coble, MD, releasing AMA's Dementia Guidelines and introducing *JAMA*'s theme issue on obesity.
- Media briefings were conducted in the following areas: genetics, cancer, children's health and heart disease.

JAMA Patient Page - A patient's page in *JAMA*, written and produced by Science News, now appears on a weekly basis. The page is intended to introduce patients to current and newsworthy medical research from *JAMA*.

International *JAMA* Video News Release Launch - *The JAMA Report*, a weekly health and medical video news release (VNR) containing information from *JAMA* is now sent to 100 countries. More than 2,000 broadcast outlets internationally will have access to the 2-3 minute report via satellite. It will be fed simultaneously in both hemispheres at 1200 GMT (8 a.m. ET) on Wednesdays by the Worldwide Television Network (WTN). The feed will include a script in English and two audio tracks, allowing for local broadcasters to keep the natural sound from the VNR and add a translated narrative if necessary.

INFORMATION TECHNOLOGY

Remediation of Y2K issues for mission critical information systems is complete. A more detailed informational report was provided to the board as part of the I-99 BOT meeting agenda materials.

A new Unix-based publishing fulfillment system, Advantage, was placed into service in October. This system will replace the former system that ran on the AMA's mainframe. The new system provides additional capabilities necessary for the implementation of new revenue generating opportunities for AMA journals. Additionally, a new publishing system for *AMNews* was installed. The new Agile system replaces DewarView which previously performed this task.

The migration of the AMA's financial accounting systems from the mainframe to a more flexible Unix platform continues. The Lawson Account Receivable system and a new version of the Paybase checking printing system was recently installed. The remaining systems - general ledger, fixed assets, accounts payable, purchase orders and reporting - will be moved during the first half of 2000. A new reporting system will be installed to facilitate the electronic delivery and analysis financial results. This will speed the delivery of financial information, and reduce printing and distribution costs of paper reports.

Tracking of AMA's annual employee performance metrics and the tuition reimbursement program are being transferred to the Lawson Human Resources system install in 1998. The capabilities of this new system allow the AMA to consolidate processing in a single place thus reducing the cost and complexity of maintaining separate systems.

Two new remote access systems were installed. Microsoft's Terminal Server and MetaFrame were installed as a replacement to WinFrame for remote access to the AMA's networked applications. The new system provides the Windows NT user interface in addition to fault tolerant features designed to minimize downtime. Web-based access to the GroupWise e-mail system is being tested to enable remote access to e-mail for staff at the Interim meeting. The GroupWise Web client will allow access to the AMA's e-mail system over the Internet from any Web browser provided an account and password are previously established. If proven successful, this new functionality will be rolled-out to AMA staff and board members as an alternative means to access e-mail from home or while traveling.

The AIMS Project encompasses the reengineering of the AMA's primary mainframe systems for maintaining physician, resident and student data. It also incorporates functions for membership billing, payment processing, data analysis and database licensing. Currently AIMS is in use by more than 300 AMA employees. The MIS release of the AIMS data warehouse that supports book and product sales went live in August. The membership component of the data warehouse is currently in testing. The first component of address processing was moved to AIMS in November. Processing for organizations (medical schools, hospitals, group practices, residency programs, etc.) will go live in early December. Membership billing and payment processing and physician, student and resident data maintenance will enter testing in the first quarter.

As part of our mainframe migration project, the Center for Health Policy Research was moved to the Sun Unix platform. Additionally, all systems residing on the AMA's legacy Sequent Unix hardware were migrated to the new Sun E-10000 Unix platform. This has allowed for the timely disposal for the Sequent equipment thus avoiding costly Y2K upgrades.

PUBLISHING AND BUSINESS SERVICES

Internet and Database Services

1999 saw many enhancements and improvements to the AMA Web Site. A new search engine improves a user's ability to find information on the site, the full text of our journals is now available online, and content on the site is now updated more frequently and effectively.

During I-98 a new committee was formed to oversee AMA's online activities. The Online Oversight Panel is charged to develop and continuously review the content of AMA's corporate Web site to achieve high quality, accurate and interesting health, medical and professional information. The panel is made up of eleven members representing the House of Delegates, Board of Trustees, an Internet industry expert, and a non-profit association executive. The chair for 1999 is Thomas Sullivan, MD, alternate delegate from Massachusetts. The panel meets frequently via conference call and has three scheduled face-to-face meetings during the House of Delegates and National Leadership Development conference.

The panel has assisted staff in the evaluation and launch of new activities and has participated in house activities by providing input into various reports and resolutions.

Other new Internet initiatives include the launch of the AMA Digital Credential project. AMA has entered into a business relationship with Intel Corporation to develop and distribute digital credentials to physicians. The purpose of the digital credentials is to allow more secure and trusted electronic health transactions for take place over the Internet. In this business relationship, the AMA is responsible for providing up-to-date physician information for use in the system and for communicating information about the product to physicians. Intel is responsible for developing and integrating technical solutions to deliver the certificates. The product is scheduled for release sometime in the first quarter of 2000.

Another project AMA is working on with Intel is the Internet Health Road Show. This program explores why patients are using the Web and provides physicians with tools to search the Web, including hands-on learning sessions.

Maintenance of the AMA Physician Masterfile continued with more than 3.5 million updates made during 1999. Staff continues to improve the quality of the file while working on important initiatives like the AIMS project. A revamp of the Physician Profile service resulted in improved product delivery. In early 2000, further enhancements will move product ordering and fulfillment to the Internet.

Coding and Medical Information Systems

Relative Value Systems

In the November 2, 1999 Medicare Final Rule on the Physician Payment Schedule for 2000, the Health Care Financing Administration (HCFA) presented its review of the AMA/Specialty Society RVS Update Committee (RUC) recommendations on work relative values and practice expense inputs for new and revised CPT codes. HCFA accepted 85 percent of the RUC recommendations. The RUC is working with specialty societies to provide additional information for those recommendations not accepted by HCFA. For example, the RUC's opposition to HCFA's reduction in critical care codes will be clearly articulated in the RUC comment letter to HCFA.

HCFA also accepted many of the RUC recommendations on the Clinical Practice Expert Panel (CPEP) data used for RBRVS practice expense values. The 65 RUC recommendations reflected the RUC's initial attempt at refining the data HCFA uses in calculating resource-based practice expense relative values. While HCFA acknowledged that it has not provided clear definitions to assist the RUC, it recognized the importance of having a multi-specialty group such as the RUC review the vast amounts of data. The RUC's continued efforts in making work relative value recommendations and practice expense direct inputs of new and revised codes provide a unique and valuable forum for specialties to work together to affect Medicare payment policies.

More than 450 physicians, coders, insurance company representatives and consultants attended the annual RBRVS symposium in November to hear presentations on Medicare payment policy changes for 2000 as well as learning additional applications of the RBRVS beyond its primary purpose of facilitating reimbursement.

CPT editorial and information services

- Physicians' Current Procedural Terminology (CPT) Research and Development - The AMA's CPT Editorial Panel is currently reviewing changes for CPT 2001. For the 2000 publication, the panel completed a number of high priority refinements to the CPT codes. More than 800 physicians, coders, insurance company representatives and consultants attended the annual CPT symposium in November to hear presentations by physicians coding experts on the new and revised codes for CPT 2000.
- CPT Information Services and CPT Assistant - CPT Information Services is a unique service offering CPT coding consultation to AMA members, potential members, and other health care professionals by telephone or letter. During 1999, the hours of operation were increased to meet user needs. "CPT Assistant," after several years of operation, has clearly emerged as the premier source of information on CPT coding, with more than 8,000 subscribers. In 1999, a CD-ROM "CPT Assistant Archives" was introduced along with a new introductory coding text.
- Documentation Guidelines - In June, the House of Delegates took several actions on documentation guidelines, including reaffirmation of Policy 175.978, a call for the AMA to work with HCFA to fully implement, test and appropriately evaluate E&M pilot projects prior to adopting a new E&M documentation system, and a request that the Board of Trustees appoint an ad hoc task force on the Evaluation and Management Documentation System. A 13-member task force was appointed in September to advise the board as it continues to work with HCFA to refine, test and evaluate the documentation guidelines that HCFA applies to Medicare payments for office, outpatient, inpatient, emergency department and consultative visits. The task force will meet in conjunction with the 1999 Interim Meeting.

AMA Businesses

Membership dues account for only about one-third of the AMA's revenue. The contributions of the AMA business units make it possible for the AMA to engage in activities that are central to the AMA's core purpose of promoting the art and science of medicine and the betterment of public health.

Database Licensing and Credentialing - The Division of Database Products and Licensing is expected to have another record year, with revenue exceeding \$23.2 million, with a net margin of \$20.2 million. This is an increase in net margin of nearly \$3.5 million or 20.8 percent compared to 1998. The growth is a result of strategic pricing, increased contract compliance, improved customer support and a strong direct-sales effort.

Publishing/Multimedia - AMA publications are projected to generate \$74.4 million in 1999. Advertising revenues will represent 68.4 percent at \$46.4 million. For the fourth year in a row, *JAMA* will rank number one in advertising

revenue among all medical journals. With the launch of *JAMA* Hungary in November of 1999, the total circulation of *JAMA* worldwide will top 800,000 making it the most widely read medical journal in the world. *JAMA* is now published in twelve languages in 38 countries.

The sale of AMA content through paid subscriptions, both print and electronic, continues to soar. As a result of our international initiative, revenue will reach \$21.7 million, which is an increase of 40 percent over last year.

The *Archives* publications turned in another profitable year with revenue of \$19.3 million and a healthy bottom line of \$3.3 million. Leading this performance was the *Archives of Internal Medicine*, with an increase of 75 percent in total revenue.

Subsidiaries - The wholly-owned AMA subsidiaries, AMA Insurance Agency Inc. and AMA Solutions Inc., are having another successful year, with forecasted revenues of \$24.8 million and after-tax net income of \$4.9 million. Emphasis continues to be placed upon development of new products and enhancement of existing products for both the AMA PersonaLink and AMA PracticeLink product portfolios designed to meet, respectively, the individual needs of physicians and their families and the needs of their practices.

LEGAL REPRESENTATION

Health Law

The Office of General Counsel's Health Law Division provides legal advice to the policy and advocacy initiatives of the AMA, including those undertaken by the AMA's Public and Private Sector Advocacy and Professional Standards areas. Also, the division advances AMA policy in the courts and before other legal and regulatory bodies.

The division also monitors and analyzes the health law issues that affect the AMA, its members and their patients. The division executes this responsibility in two primary ways. First, it tracks laws affecting medical practice and advises the AMA - along with its board, sections, councils, and internal units - on their impact. Second, through its staff of attorneys, paralegals and information experts, the division provides information about emerging health law issues to AMA members, physicians' advocates and the public.

Health Law Division as Advisor and Advocate

Government regulation of medical practice has increased exponentially, and physicians today practice under an intricate web of federal and state law. This expanding regulatory framework is compounded by the private sector entities that now impose de facto regulation of medical practice through their policies. In its legal representation of the AMA, the Health Law Division identifies and analyzes the health law issues that arise from such regulation.

When an issue is identified - whether by an AMA member, a trustee, AMA units, a Federation partner or the Health Law Division itself - the division analyzes the law, regulation or practice and counsels the AMA on its impact on AMA policy and interests. This analysis serves as the foundation for determining the appropriate AMA strategy in responding to the issue. Such a strategy may include dialogue with parties in the private sector, interaction with regulatory agencies, development of model documents or legal treatises for internal or external use, or litigation. Examples of strategies in which the division has participated include:

- SGR Analysis and Litigation - At the request of Public Sector Advocacy, a legal analysis of HCFA's obligation to update SGR calculations was undertaken and, more recently, a complaint against the federal government was prepared for filing in federal court.
- ERISA Fiduciary Status Litigation - An *amicus* brief was filed in the U.S. Supreme Court, contending that treating physicians should not be subject to legal duties as "fiduciaries" under ERISA. (*Herdrich v. Pegram*)
- False Claims Act - An *amicus* brief was filed in the Fifth Circuit, arguing that the *qui tam* provisions of the federal False Claims Act are unconstitutional. The Fifth Circuit recently concluded that these provisions are, in fact, unconstitutional. (*U.S. ex. rel. Riley v. St. Luke's Episcopal Hospital*)
- Tobacco Industry Litigation - The AMA joined in two *amicus* briefs, which seek to uphold state and local laws that regulate tobacco advertising. (*Greater New York Metropolitan Food Company v. Giuliani*; *Lindsey v. Tacoma-Pierce County Health Department*.) The AMA also joined an *amicus* brief upholding the FDA's jurisdiction to regulate tobacco advertising. (*FDA v. Brown & Williamson Tobacco Corp.*) In addition, the

- AMA filed a brief in support of an effort by health insurance companies to recover the benefits that they paid on account of tobacco related illnesses. (*Philip Morris v. Arkansas Blue Cross.*)
- Litigation Protecting Physician Challenges to Unfair Government Regulation - The AMA filed an amicus brief in favor of a Seventh Circuit decision that allows persons affected by HHS regulations to challenge those regulations in court before an actual enforcement action. (*Illinois Council on Long-Term Health Care v. Shalala.*)
- Managed Care Analyses - Legal analyses of various managed care practices under federal and state laws have been undertaken. Working in collaboration with Private and Public Sector Advocacy, these analyses are then used as a basis for developing AMA positions in dialogue with managed care organizations, and with federal and state legislative, regulatory and enforcement agencies. The division, at the request of Public Sector Advocacy, also worked with outside counsel to develop a legal analysis of certain liability aspects of the Norwood-Dingell Bill.
- Fraud and Abuse Analyses - Several significant fraud-related analyses have been developed over the last several months. In one case, the division has requested that OIG consider whether certain hospital medical staff practices are suspect under the anti-kickback laws. In another, Division attorneys worked with Public Sector Advocacy and other units to develop comments to OIG's recent announcement of its intention to issue corporate compliance guidelines for small physician group practices.

If a strategy includes a court challenge, the division designs and executes the litigation necessary to challenge the regulation and to promote AMA policy. The Health Law Division also protects the rights of the AMA as a corporate entity. When a threat to the AMA's corporate business arises, the division implements a litigation strategy to protect the AMA and its assets. Examples of recent litigation concerning these corporate rights include:

- *AMA v. Genetic Testing Institute* - Genetic Testing Institute has applied to register the mark "CPT" to describe medical procedures. The AMA is opposing that application.
- *Kevorkian v. AMA* - Jack Kevorkian sued the AMA, the Michigan State Medical Society and several of their employees for defamation. A state appellate court recently ordered the case dismissed. It noted that Dr. Kevorkian's reputation, as to the issue of assisted suicide, was such that he was "virtually libel proof." Dr. Kevorkian has petitioned the Michigan Supreme Court for further appeal. The AMA has opposed that request.

In addition, the division serves in a legal advisory capacity to the House of Delegates and its reference committees, the councils, the sections and the Board of Trustees. The division provides staff support for the Council on Constitution and Bylaws and the judicial function of the Council on Ethical and Judicial Affairs. It also provides legal review of reports and discussion papers submitted to the BOT, BOT reports, council reports, reference committee reports and resolutions.

Health Law Division as Legal Information Source

Incident to its role as legal counselor to the AMA, the Health Law Division amasses large amounts of information about health law issues and their impact on physicians. The division plays an important role in providing general information about health law issues to physicians, their advocates and the public. The division discharges this responsibility in a few different of ways, including:

- Special Informational Initiatives - Some legal issues become so important that they merit a comprehensive campaign of education and information sharing. The division has been instrumental, working with other units, in developing comprehensive campaigns in connection with managed care practices and contract negotiation, hospital-medical staff issues, fraud and abuse, telemedicine, Internet prescribing and confidentiality of patient medical records. One area of special emphasis has been to work more closely with the AMA's publishing areas to facilitate developments of timely and high-quality publications on current legal topics.
- Personal inquiries from members, their lawyers and the public - Every day the Health Law Division responds personally to calls and letters from members, other physicians, the public and lawyers who advocate for physicians. The topics include managed care, fraud and abuse, Medicare, Medicaid, licensure, professional liability, medical staff issues and many others. Personal responses are time-intensive, and the division places the highest priority on requests from members and our Federation partners.

AMA/State Medical Society Litigation Center

The Litigation Center of the American Medical Association and the State Medical Societies (Litigation Center) is a partnership effort between the AMA and 48 state medical societies to serve as the voice of organized medicine in the nation's courts. The center is governed by an executive committee comprised of eight medical society executives (CEOs or general counsels) and one appointee from the AMA. The Litigation Center is staffed and administered through the Health Law Division.

Mission and Purpose - The Litigation Center was formed to give physicians a means of responding to the challenges imposed on the practice of medicine by the marketplace, the government and political and economic forces. The Litigation Center is a unique "tool" to augment the physician and patient advocacy initiatives of the AMA and the state and specialty medical societies.

The Litigation Center targets its efforts and resources to:

- Bring or participate in litigation that addresses the health care-related legal issues that most significantly impact practicing physicians across the country;
- Create new legal remedies for physicians that can be used in multiple jurisdictions;
- Broaden the scope of existing laws;
- Enforce, clarify or invalidate legislation;
- File *amicus curiae* (friends of the court) briefs to provide information, perspective and background to lawsuits that judges would not otherwise have access to;
- Spur settlements and negotiations to avoid protracted and costly litigation;
- Provide in-kind advocacy support such as research and identification of expert witnesses; and
- Enhance physician and public awareness of health law issues.

Current Accomplishments and Activities - The following are recent examples of how the Litigation Center has been able to help medical societies with their judicial and administrative advocacy:

- **Physician Payment Issues** - The Litigation Center is supporting the Medical Association of Georgia and four MAG physicians in a suit contesting the methods that Blue Cross/Blue Shield of Georgia uses to pay its provider physicians. (*Medical Association of Georgia v. Blue Cross/Blue Shield of Georgia, Inc.*) The Litigation Center also has filed an *amicus* brief to oppose a "silent PPO." (*HCA Health Services of Georgia v. Employers Health Insurance.*)
- **Safeguarding the Status of the Medical Profession** - The Litigation Center, with several other *amici*, filed a brief to challenge the validity, under the First Amendment, of certain provisions in the Medicare and Medicaid statutes that equate Christian Science faith healing with traditional medical care. (*CHILD v. Vladeck.*)
- **ERISA Preemption** - The Litigation Center filed an *amicus* brief with the Fifth Circuit to narrow the scope of ERISA preemption. (*Corporate Health Insurance, Inc. v. Texas Department of Insurance.*) The Litigation Center also filed a brief with the Seventh Circuit to oppose ERISA preemption of the Illinois HMO independent review law (external review). (*Moran v. Rush Prudential HMO, Inc.*)
- **Physician Deselection from Managed Care Panels** - The Litigation Center, with the California Medical Association, filed an *amicus* brief which contends that a physician is entitled to "fair procedure" under California law when the physician is terminated without cause from an insurance company's physician networks. (*Potvin v. Metropolitan Life Insurance Co.*)

Corporate Law

The Corporate Law Division continues to provide legal counsel to the AMA by addressing leading edge legal issues for AMA's new initiatives. Following the passage by the House of Delegates of Resolution 901 calling for the implementation of a negotiating organization, the attorneys have been preparing the corporate formation of Physicians for Responsible Negotiation (PRN). The Corporate Law Division has taken the necessary steps to insure that the AMA is in compliance with the extensive laws governing labor organizations, and have provided extensive advice on the appropriate roles and responsibilities of the AMA in connection with PRN.

The division has also been active in developing the legal framework to enable the AMA to use Web technology in new products and services. The attorneys were instrumental in the development of the Medem Web site, representing the AMA in the discussions with the medical societies that founded the Web site. Through Corporate Law's participation, the parties clearly defined the information owned by the various medical societies that will be

available on the Web site, and the processes by which it will be reviewed, revised and made available to the public. Corporate Law also took steps to insure that the Web site will be launched with safeguards in place, so that it will meet AMA's standards for advertising and sponsorship.

The division negotiated the arrangement with Intel to develop the digital credential service, assisting physicians in using new computer technology in their practices to further patient care. The division is also involved in drafting new licenses for the use of the AMA Masterfile for authenticating physicians' credentials.

Corporate Law also prepared the agreement to provide a Web-based interactive tutorial for AMA members on fraud and abuse matters.

The division continues to provide its assistance to advance health and medical education globally, focusing on using new technology to deliver information. Corporate Law provides legal advice for the expanding area of licensing of *JAMA*, *Archives Journals*, and *AMNews* over the Internet and through other electronic media. The division provided the legal services to develop the Web site allowing access to the full text of *JAMA* and the *Archives Journals*.

Circulation of international licensed editions of *JAMA* and the *Archives Journals* has reached 434,600. The Corporate Law Division has undertaken an aggressive initiative of registering the *JAMA* trademark in foreign countries and opposing competing registrations. The AMA now has registrations of *JAMA* trademark completed or in progress in 17 countries.

The division is also vigorously protecting the *JAMA* trademark domestically, notifying misusers to cease promptly and, when necessary, filing suit to stop the use of *JAMA*'s name in advertising. The attorneys were responsible for notifying American Suzuki Motor Corporation of its misuse of *JAMA*'s name in its advertising for a motor vehicle, and for requiring Suzuki to cease publishing the improper ad.

Corporate Law supports the activities of Current Procedural Terminology (CPT) where book sales and licensing activity continue to promote the goal of uniform coding. The Corporate Law Division is assisting management in meeting the federal mandate requiring CPT to be available in a low cost and efficient manner with a particular focus on Internet availability. More than 250 agreements have been finalized this year. Two major lawsuits challenging the copyright in CPT were settled on terms favorable to the AMA.

The Corporate Law Division has assisted management with the international expansion of CPT, including negotiating licenses for governmental test use in South Africa, and translations into Japanese and Turkish. The division addressed the legal needs of the introduction of CPT Spanish and is engaged in a program of international licensing of this edition with the focus in Latin America. The CPT-Five Implementation stage is beginning with the legal support of the division.

The Corporate Law Division provides legal support for the "Guides to the Evaluation of Permanent Impairment," including the licensing and electronic media. The 5th edition, the first new edition in five years, is scheduled to be available in the year 2000.

The division continues to provide legal assistance to the AMA's subsidiaries, as they increase their scope of products and services for physicians. Several agreements have been negotiated with providers of financing and practice products. An agreement to offer a long-term care insurance product was finalized.

The division continues to facilitate the relationships between the AMA and organizations established to assist physicians. An agreement to assist the Federation of State Physician Health Programs was recently finalized.

The division also continues to provide legal counsel to improve AMA's internal activities. The attorneys are working closely with management as the AMA embarks on a reorganization of the way it services telephone callers. Reassignment and training of employees is expected to be completed by the end of first quarter 2000.

To improve its provision of services, the Corporate Law Division has developed an AMA Intranet Web site located on the General Counsel's homepage. The Corporate Law Division Web site is an attempt to make it easier for managers to seek assistance and to provide contract processing information in a fashion that is easier to understand than "legalese." To date, the site includes the division's objectives, a list linking the managers to their appropriate Corporate Law Division attorney, and explanations of the general contract processes in lay person's terms.

FINANCIAL SERVICES

The emphasis in 1999 was a three pronged effort. Phase 1 addressed outstanding staffing issues, including the CFO position. Phase 2 included planning and testing for Y2K readiness, which resulted in the implementation of a new AR system. Phase 3 consisted of the continued migration of our financial systems to the client server environment. The upgrade that had the greatest impact on the AMA was the implementation of the XMS system. XMS is our state-of-the-art Web based application for automating travel and entertainment expense reporting. It has dramatically changed the way in which expense reports are prepared, approved and submitted, as well as provided tools for analyzing and reporting on the accumulated data.

HUMAN RESOURCES

The role of Human Resources is to provide effective and up-to-date service, systems and compensation that will enable the AMA to attract, develop, motivate and retain the staff necessary to meet our overall mission. This role includes forming a partnership with AMA management to introduce cultural change and increase organizational effectiveness. Under this auspices a series of successful senior management training sessions were held to enhance communications and contribute to the overall effective management of the AMA. This change initiative was carried to all staff with the introduction of workshops on the "Seven Habits of Highly Effective People." Three dozen staff members were trained as facilitators for this program with program implementation beginning this year and carrying into 2000. The program is designed to particularly improve the culture of the AMA and enhance the motivation, efficiency and effectiveness of staff.

Full implementation of a new on-line, self-service flex benefits program was implemented in 1999. The program better targets our benefit dollars and allows staff greater freedom and customization of their benefit.

The formalization and expansion of human resources representatives utilizing placement recruiters as liaisons/consultants resulted in increased communication and customer service between Human Resources and AMA units.

STRATEGIC MANAGEMENT AND PLANNING

The AMA's plan for 2000 is based on a vision statement that is designed to sharpen the AMA's understanding of its direction and focus and to provide a framework for prioritized decision making. The vision reflects a shared desire by the Board of Trustees and senior management that the AMA approach the new millennium with renewed vigor based on a solid understanding of purpose, values and envisioned future. The vision is pursued through four key objectives, each supported by a set of key strategies and tactics. These objectives and strategies translate the AMA's vision into actionable programs that create impact.

Corporate Planning

The majority of the effort of the corporate planning function has been focused on designing and implementing a relational database resource planning process. The new system allows users throughout the AMA to directly access the database to update their annual resource plans and inquire about any other operating unit's resource plan. The database system has an establish linkage with the financial budgeting system, and future plans are under development to further integrate resource planning with other AMA management systems. The group has also been working closely with the Office of Finance to publish the "2000 Plan and Budget Book," which was scheduled to be distributed with the HOD handbook in November prior to I-99.

A new AMA performance measurement tracking system has been designed and is currently in the data collection phase. This will be a monthly performance measurement system that will track AMA's operational information and display key trends in graphical formats.

Council on Long Range Planning and Development (CLRPD)

Since the 1999 Annual Meeting, the CLRPD has continued to focus on providing strategic support to the Board of Trustees. The council is preparing a number of items for consideration at the board's February 2000 planning meeting. These items include a discussion of environmental trends, suggestions on the AMA's strategic priorities

and an analysis of the AMA's current strategic vision, The council is continuing its analysis of ways to strengthen the federation of medicine and enhance the AMA's strategic posture.

The council has developed several reports for consideration at the 1999 Interim Meeting. One report presents the CLRPD's preliminary findings on whether or not adding a public member to the AMA Board would be beneficial. Another report, developed jointly with the Council on Constitution and Bylaws, presents recommendations to clarify roles and responsibilities in the governance of the AMA. Other CLRPD reports provide recommendations on the disposition of policies established 10 years ago, and recommend the elimination of duplicative or outmoded AMA policies.

The council has also continued its support of the AMA policy development process by overseeing the development and distribution of the A-99 edition of PolicyFinder (Windows and Macintosh versions). Also, the council has continued to oversee the maintenance of the AMA's Web-based version of PolicyFinder program. The council is investigating the possibility that Federation organizations might use the Web-based PolicyFinder program to distribute their policy positions.

Strategic Systems Analysis (SSA)

The SSA unit focuses on enhancing the organization's strategic planning and decision-making capacity through the application of organizational learning, strategic management, planning tools, techniques and hands-on consultative support for interested units. SSA provides the Strategic Management and Planning area with ongoing analysis of AMA's management systems and processes and makes recommendations for enhancing these to improve organizational effectiveness, efficiency and culture. During 2000, SSA will also work with other key units within the AMA to build strategic content and strategic planning capabilities of the association as a whole and of individual operating units and project teams. SSA will continue to facilitate the Strategic Management and Planning learning team, a group of individuals from Market Research, Corporate Planning, Strategic Policy Planning and Strategic Systems Analysis, who meet every other week (sometimes weekly) to discuss issues of strategic importance to the AMA. SSA works closely with the Corporate Planning area to support AMA's management activities.

Market Research and Analysis

Since the 1999 Annual Meeting, the Division of Market Research and Analysis has completed research studies that explored physicians' reasons for joining or not joining the AMA, as part of a larger study to better understand the AMA membership market; assessed international physician's opinions of the AMA offering an international membership; measured the public's awareness and perceptions of the AMA and the *Journal of the American Medical Association* to determine brand recognition; and evaluated physicians' practices readiness for the year 2000. The division also developed a panel of 1,500 physicians that will be surveyed periodically to determine their opinions of AMA advocacy initiatives. One study was completed with the panel in 1999.

CONCLUSION

Clearly, we have much to be proud of and excited about. 1999 has been a good year for the AMA. Now, we must continue our positive momentum - into the next millenium.

When dawn breaks on January 1, 2000, the AMA must recommit itself to doing the things it has done so well for 152 years: acting with leadership and integrity, providing service and inspiring trust, within our profession, throughout our nation and throughout the world.

AMA advocacy and actions have created a bright future for America's patients and physicians. Our ethics and our standard setting are second to none.

Together, let us not only recognize and celebrate our accomplishments, but also do our best to create even more good news from the AMA in the next millenium - for our patients, for our colleagues and for our nation.

REMARKS OF THE PRESIDENT OF THE AMA ALLIANCE, INC: The following remarks were presented by Ann Hansen, President, on Sunday, December 5:

Good morning. I'm honored to be with you and to stand in this spotlight you give to your Alliance every year.

In recent years, my predecessors have used this time to highlight the many ways the Alliance serves you - from mobilizing the grassroots behind essential legislation - to raising funds for medical education and research - to the hundreds of local initiatives that strengthen public health.

But today, I stand before you not only as President of your Alliance - but as a mother - a former schoolteacher and counselor - and a concerned American - and I ask for your help.

I ask you to confront - with everything in your strong hearts and able minds - the issue of violence in America. I urge you to sustain our fight to wage peace in America. We must continue our work together to say to every American that the epidemic of violence in our country is unacceptable - and that we can - and must - do something about it.

Today, 59 Americans will die due to violence. Fifty-nine of our neighbors - our elders - our children. This is unacceptable.

Today, 10,000 American women will be punched, slapped or otherwise beaten by their husbands or boyfriends. This is unacceptable.

Today, the average American child will see two murders and 30 other acts of violence on TV - packaged as entertainment. This is unacceptable.

It is unacceptable when NBA star Charles Barkley defends a recent fight with Shaquille O'Neal by saying: "My grandma would be mad at me if I let him get away with it."

Unacceptable when video games American children play with use techniques identical to those used to train soldiers to kill.

Unacceptable when terms like road rage - drivebys - killing sprees - slasher films - batterer - gangbang - and Goth become part of our everyday language.

And unacceptable when mass killings in schoolyards - workplaces - community centers - and places of worship become part of our everyday lives.

I urge the AMA and every one of you to stand with me and your Alliance - to seize this and every spotlight - to say in one clear, strong voice: In America - in our country - in our home - violence is unacceptable.

This is but the first step in the long battle to wage peace. We must continue to fight on many fronts, with all the energy and resources we can muster.

For example, we agree with Colin Powell that the greatest threat to the future of the United States is not a resurgent Russia - or China - or Iraq; the greatest threat to our future is troubled youth. We believe that by focusing attention on the beginnings of violence, we may be able to prevent an avalanche of violence later on.

The night of the Columbine shootings, Larry King proclaimed that Americans are a reactive - not a proactive - people. He informed his fellow citizens that "prevention is not what we do best."

Mr. King - we beg to differ. We're going to prove you wrong. The Alliance has been "doing" prevention for 77 years now - and we'll be doing it well into the next century.

Since 1995, with your support, our SAVE initiative - Stop America's Violence Everywhere - has been educating communities about violence and teaching children through third grade about safety, self-esteem and conflict resolution.

This year, because of Columbine and the litany of school tragedies, we created a special initiative, SAVE Schools From Violence. We joined with General Powell's volunteer organization - America's Promise - and made a commitment to reach a million school children by 2000. More than 650,000 have already worked through our conflict-resolution booklets.

Now we're launching an adopt-a-school initiative in which Alliance troops will deploy a full complement of anti-violence activities for grades pre-school through twelve. We're focusing not just on guns - but on bullying and fistfights - intolerance and isolation - name-calling, taunts and threats - because that is where the problems usually start.

And Alliance members not only give troubled kids tools they can use to learn control, but also form a connection with those kids. Creating a bond may be the most important thing of all, because so many perpetrators of violence feel unconnected to the people around them. As one boy told Cornell psychologist James Garbarino, author of a book on youth violence: "I'd rather be wanted for murder than not wanted at all."

Twenty-five years ago, when I was teaching high school English, I had a sophomore who wrote essays that were incredibly creative - but so violent they scared me. He clearly had problems, but was also an excellent writer. I worked with him and encouraged his talent. I read his work in class - but not the violent parts. About five years ago, the phone rang, and it was my former student, who had looked me up to tell me he had just had his first novel published. I remember what he said to me. He said: "At a time in my life when I needed someone who cared about me, you were that person. You always told me I could write."

We must break down the psychological, generational and electronic barriers between us and form a connection with troubled kids - hang in there with them - encourage them - and inspire them.

Why am I telling you what you all know so well? You, who see the human toll behind every statistic - you, who see the bruises and tears first-hand - you, who bind the physical and emotional wounds every day - you, who through your own commitment have finally begun to turn the tide?

Quite simply, I'm telling you because we can't do it without you. If we're to wage peace, there's not a resource to spare. And I can think of no voice more credible on violence in America than yours.

So, despite all the critical issues facing this great House - despite all that's on your individual plates - despite all your courageous efforts on this issue - I ask today that you step up the fight to wage peace.

Keep the spotlight on this issue.

Sustain your passion for strong, national, AMA anti-violence initiatives.

Stay personally involved.

Talk to your community about violence and possible remedies.

Help your local Alliance adopt a school.

Go to your local high school or middle school and talk to kids about violence and responsibility and making good choices.

Form a connection with a troubled child.

Hug your children and grandchildren.

And please take a look at our SAVE Schools From Violence booklet. It's a terrific blueprint for action. It's filled with statistics, resources, prevention programs and a variety of practical ways to wage peace.

Your Alliance is eager to partner with you in this effort.

And so that we can be an even better partner - when you return home, talk to your spouse. If they're not a member of the Alliance, encourage them to join. Tell them there's no more important issue in America. Tell them we're making a difference. And tell them that with their help, we can make a bigger difference.

Recent national crime statistics suggest that the partnership between the AMA and the Alliance is indeed beginning to make a difference. But I have no illusions that the battle will be an easy one.

Just after Columbine, *Newsweek's* Steven Levy asked: "How can you pull the threads of violence from a society when those strands are so deeply woven into our character? Bromides will have to do, because the culture isn't changing. We like it too much."

As with Larry King, we aim to prove Mr. Levy wrong. But to do so will take all of us - every principal and teacher - every legislator and citizen - every parent and child - every physician and spouse - united, working together, persistent in the face of obstacles and nay-sayers, taking our battle for peace to every school - every community - every corner of our country.

Ladies and gentlemen, it's the most urgent work we can do.

Because violence in America is unacceptable, we must - we will - wage peace.

REPORT OF THE AMA FOUNDATION: The following report was presented by William H. Mahood, MD, President of the Foundation, on Sunday, December 5:

Mr. Speaker....Members of the House....Honored Guests....It's a great pleasure be with you here today.

This is a truly exciting time for the American Medical Association Foundation - a time when a number of new and important initiatives are underway that will help all of you in your efforts to put your patients first. Today, in addition to our traditional areas of support, we are directing our focus to programs that will enhance the patient-physician relationship. These programs are designed to help you as physicians. They will address our need for new and meaningful models for interacting with our patients, and for ways to overcome communications barriers that often exist. Ultimately, we believe that these programs will provide greater opportunities for you to connect with your patients and enable them to partner in their own health care.

As leaders in medicine, we are well aware of how broad and complex the patient-physician relationship is. That is why, at next June's Annual Meeting, the AMA Foundation will announce its first multi-year Signature Program that will address one component of this multi-faceted issue. The program will focus on medicine as a healing art - one that is far more than just the application of science. It will stress the compassion and caring nature of medicine and provide important support to the profession we all care so deeply about.

After months of work, we are moving forward. We've pulled together individuals who specialize in patient-physician relations, garnered financial support, and drawn from the strength of the AMA leadership to help develop this important program. Our goal for this initiative is to support programs that improve communication between physicians and patients, and ultimately lead to the development of additional programs that enhance the overall patient-physician relationship.

Just as the face of medicine is changing, so too is the AMA Foundation. I believe that now, more than ever before, the Foundation is poised to advance health care and support the medical community through a wide range of important philanthropic programs.

Nobody needs to tell you about the challenges facing medicine today. Or the difficulty you face each day in putting your patients first. That is why, as leaders in medicine, we all joined together this year to support federal legislation that would provide comprehensive support and coverage to our patients. And we found that as a united voice, we can prevail.

To my way of thinking, as medicine's leaders, you are also the group that should be most interested in the work of the AMA Foundation - the philanthropic arm of the American Medical Association. And I am confident that if we join together again as a united force and support the work of the Foundation, we will significantly impact the quality of patient care and advance public health.

We all share a lifelong commitment to medicine. And I believe that what we are doing at the AMA Foundation will help to ensure that the highest quality of patient care is never sacrificed. We all know there are gaps in areas of health care today. At the Foundation, we are committed to closing these gaps and supporting programs that will facilitate even greater medical progress into the next century.

Of course, one of our major concerns continues to be today's medical students - medicine's future. They ultimately will bear the major responsibility for supporting and enhancing the efforts that we begin. The AMA Foundation is enhancing its long-standing support of medical education through a combination of traditional and new grantmaking programs.

Through our new Leadership Development Programs, young student and resident leaders will be given the opportunity to participate in such programs as the AMA's National Leadership Development Conference and associate with leaders in the medical community.

Scientific research has fueled many important changes in medicine, including revolutions in clinical and biomedical research, medical technology, and of course, revolutions in the delivery of health care. We seek to encourage even greater interest in medical research through our new Seed Grant Research Program that provides small funding grants of \$1,500 to \$2,500 to medical students and residents for applied and clinical research projects.

Today, there are many examples of physicians and their families, medical students and residents who are engaged in local community service programs that address various health issues and needs. The insights they gain by participating in these projects are helping to stimulate medical discoveries, and the Foundation wants to do even more to recognize, reward and encourage this spirit of giving.

Finally, I want to tell you that next June we will commemorate a significant milestone - the AMA Foundation's 50th Anniversary. The celebration will recognize the Foundation's first 50 years of support to the community of medicine through a year-long program. The philanthropic support of thousands of people has helped us reach this important milestone, and we want to thank all of you for being a meaningful part of the Foundation's past, especially the AMA Alliance who has served as the Foundation's primary fundraiser. I'm sure you'll agree that the 50th Anniversary celebration is an important opportunity for the Foundation to highlight its legacy of commitment, and rededicate itself to the medical community.

As you can see, the AMA Foundation is developing a blueprint to strengthen our service to the medical community. We have ambitious goals and a lot of work ahead of us - and we can't do it alone. As leaders in medicine, I want to present you with an open invitation. An invitation - and a challenge - to join in partnership with the Foundation and share the Foundation's vision for the future by supporting our programs for the community of medicine.

There are many exciting changes underway at the Foundation and you'll be hearing more about each of them in the coming months. For a Foundation that has provided support to the community of medicine for nearly 50 years, it is certainly an important time.

As President of the Foundation, I am very proud of our past, honored to be part of its present, and excited about our future - a future that seeks to do even more. I hope that you'll join our efforts and lend your support.

Thank you.

REPORT OF THE AMPAC BOARD OF DIRECTORS: The following report was presented by Robert M. Bogin, MD, Chair of AMPAC:

On behalf of the AMPAC Board of Directors, I am pleased to present this report to the House of Delegates on AMPAC's activities. Since its creation more than 30 years ago, AMPAC has been an innovative leader in grassroots political involvement. In order to maintain our high standards, earlier this year we reexamined our mission, goals and priorities.

Our newly-updated mission seeks to impact public policy decisions through bipartisan participation in all aspects of the political process, including campaign funding, education, grassroots advocacy and partnering with state medical political action committees. In order to achieve these ends, we developed four key goals:

- to foster involvement in the political process through political education and grassroots programs for physicians and their families;
- support via traditional and innovative means the election of candidates to federal office who support the interests of patients and physicians;
- promote good communication and develop business partnerships with state medical political action committees;
- and develop the membership, revenue and strong leadership resources needed to accomplish these goals.

Based on the newly defined mission and goals, our priorities are increased PAC membership, enhanced relationships with state medical political action committees and newly developed ways to involve medical students and residents in our grassroots political and legislative advocacy activities.

Our commitment to political advocacy is reflected this year in record setting membership recruitment activities, continued political action programming and constant refinement of political campaign and grassroots advocacy training programs.

AMPAC MEMBERSHIP

AMPAC has reversed its overall downward membership trend of the past two years through continued aggressive membership recruitment and retention efforts among AMA direct members and the Federation. For the year, nearly 1 million direct mail pieces were produced and paid for under the AMPAC Cooperative Development Program (CDP). These efforts netted more than 24,000 AMPAC members. In the aggregate, as of October 31st, total AMPAC membership stands at 55,142, compared to 51,884 at the same point in 1998 and 54,133 in 1997. In fact, year-to-date membership statistics already exceed 1998 and 1997 year-end totals. Year-to-date revenue is up as well. As of October 31st, AMPAC revenue stands at is \$2,622,876, compared to \$2,368,292 for the same point in 1998 and \$2,283,485 in 1997.

AMPAC is concerned, however, about the continuing overall decline in PAC membership coming from the Federation. Year-to-date membership through the states is at 44,790, compared to 45,060 in 1998, 45,647 in 1997 and 48,925 in 1996. However, while many states continue to struggle with PAC membership recruitment, 17 states year-to-date efforts exceed that of 1996, the high water mark for the 1990's, and 27 state are ahead of 1998 year-to-date figures. We wish to especially acknowledge the hard work of those states that attained their 1999 AMPAC Membership Goal: Florida, Hawaii, Indiana, Mississippi, Missouri and New York.

In 1999, AMPAC Direct members have counterbalanced the downturn at the state level. Through October, AMPAC Direct members numbered 10,277, setting a new record for directs and surpassing last year's figure of 6,733 and the previous record of 7,525 established in 1996.

AMPAC will continue to work with our Federation colleagues to analyze and assess what can and must be done to reverse the overall downward membership trend among the states. This is even more critical with the impending 2000 elections, when AMPAC will once again be expected to play a major role in assisting candidates for the U.S. House and Senate.

POLITICAL ACTION

The House of Delegates reaffirmed its desire for AMPAC to utilize voting records as a barometer of support for candidates running for federal office. Vote records and floor speeches are sent regularly to Federation staff and PAC leadership in an ongoing effort to educate the family of medicine about the support - or lack of support - their elected officials have given to organized medicine.

For over ten years, the AMPAC Board of Directors has provided state medical societies with the opportunity to expand their grassroots capabilities through the AMPAC Grassroots Grant program. During that time, nearly \$1 million has been awarded to fund activities. In 1999 alone, over \$100,000 has been awarded to seven states in an effort to promote grassroots activity at the local level.

And with the support of a grant from the AMPAC Board, nearly 25 states activated state Grassroots Action Centers, modeled after the AMA Grassroots Action Center, for use on state medical society web sites.

POLITICAL EDUCATION

AMPAC remains a leader in political education of its membership. The AMPAC candidate workshop and the week-long campaign school are widely-known and highly regarded, training thousands of members of the medical community over the years. And now, they are complemented by a new, one-day program for campaign volunteers and other new election year initiatives. The newly developed programs and materials outline the role physicians, spouses and others within the medical community can play in putting together winning activities for Election Day.

Almost 300 members of the medical community participated in the 1999 AMA Grassroots Conference, held September 22 and 23, at the Mayflower Hotel in Washington, D.C. The Conference, held two weeks before the House vote on the Patients' Bill of Rights, provided participants with a well-timed opportunity to engage in health care discussions with leaders from the House and Senate as well as their own representatives. Conference speakers included Vice President Al Gore, who released a Health and Human Services report that day on the need for Medicare managed care reforms. Also addressing the grassroots activists were Sen. Edward Kennedy, D-Mass., a champion for patients' rights in the Senate, and Representatives Charles Norwood, DDS, R-Ga., and Greg Ganske, MD, R-Iowa, key leaders in the House patients' rights debate. Conference attendees fanned out across Capitol Hill, visiting with home state representatives and lobbying for passage of meaningful patients' rights legislation.

COMMUNICATIONS

AMPAC communicates to its members through *Political Stethoscope*, which includes articles on physician involvement in political and legislative grassroots activity, highlights of the AMPAC campaign training schools, profiles of physician candidates and the impact of technology on the electoral process. *AMPAC Update*, a quarterly newsletter, informs the Federation PAC leadership of AMPAC Board activities and decisions as well as upcoming political and grassroots events.

CONCLUSION

On behalf of the AMPAC Board of Directors, thank you to all of our members for your continued involvement in political and grassroots activities. It is only through your support and leadership that we are able to positively impact public policy decisions for our patients and for our profession.

RECOGNITION OF RETIRING MEMBERS OF THE HOUSE OF DELEGATES: The following delegates and alternate delegates were recognized by the House of Delegates as serving at their last meeting of the House (listed alphabetically by state and specialty society):

Alabama

Jon E. Sanford, MD
Kenneth C. Yohn, MD

Arkansas

John Hestir, MD

Arizona

Kenneth V. Iserson, MD

California

Kenneth Lane, MD
Samuel Solish, MD
Michael Goldman, Senior Vice President (Staff)

Connecticut

Jerome Bobruff, MD
Joseph C. Czarsky, MD

Hawaii

Jonathan R. Won, Executive Director

Indiana

C. Dyke Egnatz, MD

Kentucky

Donald C. Barton, MD

Maryland

Louis C. Breschi, MD

Massachusetts

Guenter L. Spanknebel, MD
Asha P. Wallace, MD

Minnesota

A. Stuart Hanson, MD
Ben P. Owens, MD

Nebraska

Blaine Y. (Bud) Roffman, MD

New York

Bruce H. Berlin, MD
Robert M. George, MD
L.P. Hinterbuchner, MD
Antonio F. LaSorte, MD
George Lim, MD

Ohio

Jack L. Summers, MD
Donald Mark Miller, MD
Andrew Thomas, MD

Pennsylvania

Robert M. Bogin, MD
Donald C. Brown, MD
David L. Cohen, MD
Donald G. Ferguson, MD
Mark S. Friedlander, MD
Samir Mehta
Robert D. Reinecke, MD
Carol E. Rose, MD
Jennifer E. Trottman, MD

Texas

Paul J. Cunningham, MD
Betty P. Stephenson, MD
John W. Burnside, MD
Dennis J. Factor, MD

Vermont

James Chandler, MD

American Academy of Family Physicians

Robert W. Higgins, MD

American Academy of Facial Plastic
and Reconstructive Surgeons

Regan Thomas, MD

American Society of Clinical Pathologists

Ira Godwin, MD

American College of Preventive Medicine

F. Douglas Scutchfield, MD

American Medical Directors Association

Eric G. Tangalos, MD

North American Spine Society

James Elmer Nix, MD

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CHIEF TELLER

Roger A. Gaddy, MD, South Carolina

(* - Alternate Delegate)

