

# Dateline Washington

prepared by the Division of Advocacy and Health Policy

## New payment policies take effect

On January 1, changes in Medicare physician fee schedule policies became effective. The changes were announced in the final rule that the Centers for Medicare & Medicaid Services (CMS) released in the fall. Some of the new policies are based on the results of the mandated five-year review of physician work values in the fee schedule, which produced significant payment increases for evaluation and management (E/M) services. Because all changes must be budget neutral, these hikes are offset by a 10.1 percent across-the-board reduction in work values for all physician services. However, the American College of Surgeons successfully persuaded CMS to implement corresponding increases in the relative values attributable to the E/M services encompassed in the global surgical package. This provision helps to mitigate the effect of the budget neutrality adjustment.

At the time the regulation was published, the fee schedule conversion factor for 2007 was scheduled to be reduced by 5 percent as a result of the sustainable growth rate (SGR) system used to determine Medicare payment updates. Fortunately, Congress took action before adjourning in December and instead froze the 2007 conversion factor at the 2006 rate of about \$37.90. Taking into account this change, CMS estimates of the combined impact of the five-year review and other announced policy changes (such as reductions in payments for certain imaging services) on the surgical specialties in 2007 are:

|                          |    |                       |     |
|--------------------------|----|-----------------------|-----|
| Cardiac surgery          | 3% | Orthopaedic surgery   | -1% |
| Colon and rectal surgery | 0  | Otolaryngology-       |     |
| General surgery          | -1 | head and neck surgery | 0   |
| Hand surgery             | -2 | Plastic surgery       | -1  |
| Neurosurgery             | -3 | Thoracic surgery      | 3   |
| Obstetrics-gynecology    | 1  | Urology               | 0   |
| Ophthalmology            | -3 | Vascular surgery      | -6  |

To avert the 5 percent conversion factor cut, the College and other specialty organizations engaged in a grassroots campaign targeting members of the lame-duck Congress. The ACS and other surgical specialty societies also joined forces to publish an advertisement in *USA Today*, asking the public to request that their elected officials stop the cut and thereby preserve patient access to care.

For details about the new payment policies, see "What surgeons should know about..." on page 8.

## Democrats regain control of Congress

As a result of the mid-term elections in November 2006, Democrats regain control of Congress later this month. As of press time, the Democrats had gained 29 House seats (with 10 contests still undecided) and six Senate seats. The Republican members of the House Ways and Means Committee—which handles legislation pertaining to health care spending—who were voted out of office are as follows: Clay Shaw of Florida lost to Ronald Klein, J. D. Hayworth of Arizona conceded to Harry Mitchell, Melissa Hart of Pennsylvania lost to Jason Altmire, and Chris Chocola of Indiana conceded to Joseph Donnelly. In addition, Ways and Means Health Subcommittee Chair Nancy Johnson (R-CT) lost her bid for reelection to Chris Murphy (D-CT). Senate Republican losses included the following: Rick San-

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## **SCIP urges patients to ask questions**

torum (PA) to Bob Casey, Jr.; Conrad Burns (MT) to Jon Tester; Jim Talent (MO) to Claire McCaskill; Mike DeWine (OH) to Sherrod Brown; George Allen (VA) to James Webb; and Lincoln Chafee (RI) to Sheldon Whitehouse.

ACS Executive Director Thomas R. Russell, MD, FACS, participated in an October 23 press conference in Washington, DC, that the Surgical Care Improvement Project (SCIP) organized to launch a patient information campaign. The campaign urges patients to speak with their health care providers about how to avoid surgery-related complications, such as infection, blood clots, and heart attacks. To facilitate these conversations, a consumer tip sheet with questions patients should ask their surgeon or physician before undergoing an operation has been developed. The AARP and the National Partnership for Women and Families are distributing the document to the public.

SCIP was created as part of a broad-based effort to achieve a 25 percent reduction in surgical complications by 2010. The American College of Surgeons is an active participant in SCIP, which also comprises U.S. Department of Health and Human Services officials and other physician, hospital, nursing, accreditation, and consumer organizations. During the press conference, Dr. Russell noted that SCIP “is about bringing all the members of the surgical team together and implementing known measures, which will decrease adverse events that are preventable and no longer acceptable.” The tip sheet and additional information about SCIP can be found at [http://www.ofmq.com/qiosc\\_scip.html](http://www.ofmq.com/qiosc_scip.html).

## **Group promotes ASC quality measures**

Leaders of organizations that represent ambulatory surgery centers (ASCs) and health care professionals recently formed a group called the ASC Quality Collaboration. The purpose of this panel, which includes Dr. Russell, is to engage in a mutual effort to identify specific quality measures for care provided in ASCs and, ultimately, other outpatient settings. The measures will be useful in efforts to implement pay-for-performance, respond to state data-collection initiatives, develop consumer information, and benchmark information for quality improvement.

In addition, the ASC Quality Collaboration has engaged an expert workgroup to develop standard surgery measures. Initial workgroup meetings identified measures that have been vetted by other groups, including SCIP, the Joint Commission on Accreditation of Healthcare Organizations, and the Surgical Quality Alliance. The ASC Quality Collaboration intends to work with CMS to make the quality measures a key element of the revamped ASC payment system, which is expected to be implemented in January 2008. For more information, go to [http://www.jointcommission.org/Library/JCAHOnline/jo\\_10\\_06.htm](http://www.jointcommission.org/Library/JCAHOnline/jo_10_06.htm), and scroll down to “Group Forms to Promote Standard Quality Measurement in Ambulatory Surgery Centers.”