

# Dateline Washington

*prepared by the Division of Advocacy and Health Policy*

## **MedPAC releases reports, ACS holds briefing**

On March 1, the Medicare Payment Advisory Commission (MedPAC) released two reports on physician payment. In its annual report to Congress, MedPAC recommended increasing Medicare payments in 2008 based on practice cost inflation minus productivity growth to yield an estimated 1.7 percent increase in the conversion factor. Currently, Medicare physician payments are scheduled to be cut an estimated 10 percent in 2008.

The second report responds to a congressional mandate that MedPAC suggest alternatives to the sustainable growth rate (SGR) methodology used to determine Medicare physician payments. This report highlights the pros and cons of possible reforms. Although MedPAC does not endorse a particular proposal, the report outlines two possible pathways to reform: (1) repealing the expenditure target set through the SGR; or (2) extending an expenditure target to all Medicare providers, not just physicians. In this report, MedPAC also continues its call for policymakers to link payments to quality measures, and both pathways would include efforts to improve the “value” of care.

In conjunction with the reports’ release, the College hosted a briefing for the press and congressional staff about the challenges surgeons already face under Medicare and the potential effects of MedPAC’s recommendations. ACS Executive Director Thomas R. Russell, MD, FACS, opened the meeting. Cynthia Brown, Director of the College’s Division of Advocacy and Health Policy, presented the College’s proposal for Medicare physician payment reform, which would base Medicare payments on different service categories. As it stands, the SGR collectively places all physician services under a single spending target.

In addition, the Senate Committee on Finance and the House Ways and Means Subcommittee on Health held hearings on the MedPAC reports. For a copy of the MedPAC reports, go to <http://www.medpac.gov/>. For more information on the congressional hearings, visit <http://www.senate.gov/~finance/sitepages/hearing030107.htm> and <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=530>. A summary of the College’s statement on the MedPAC recommendations is available at <http://www.facs.org/news/medpacresponse.html>.

## **House passes paired kidney donation bill**

On March 7, the U.S. House of Representatives passed H.R. 710, the Living Kidney Organ Donation Clarification Act, on a 422-0 vote. This legislation, which Reps. Charlie Norwood (R-GA) and Jay Inslee (D-WA) introduced earlier this year, is intended to enable more paired kidney donations to take place. Through paired donations, friends and family who want to donate—but who are not biological matches with their intended recipient—and the intended recipient are paired with another donor/recipient pair in the same predicament.

Unfortunately, these arrangements often are thwarted at hospitals concerned about potentially violating the National Organ Transplant Act (NOTA), which outlawed the sale and purchase of organs. The U.S. Department of Health and Human Services (HHS) has previously interpreted NOTA as prohibiting paired donations. HHS has asked the U.S. Department of Justice to rule on whether paired donations violate NOTA, but the department has never issued an opinion. The Living

---

## **Tax deduction for emergency care proposed**

Kidney Organ Donation Clarification Act would clarify that paired kidney donations are not in violation of NOTA. The College supports H.R. 710. Copies of letters backing the bill can be found at <http://www.facs.org/ahp/views/organtransplants.html>.

An organ transplant recipient himself, Representative Norwood did not live to see the bill's passage—he passed away February 13. Many Fellows remember Representative Norwood as a champion of many important health care policy initiatives, including the Patients' Bill of Rights.

On February 28, Rep. Mary Bono (R-CA) introduced H.R. 1233, the Mitigating the Impact of Uncompensated Service and Time Act of 2007. The purpose of the bill is to alleviate financial burdens on physicians who provide uncompensated emergency care as mandated under the Emergency Medical Treatment and Active Labor Act (EMTALA). More specifically, this legislation would amend the Internal Revenue Code of 1986 to allow board-certified physicians to partially offset the cost of providing uncompensated emergency care through a tax deduction equal to payment under the Medicare fee schedule. For a copy of the College's letter of support and for more information, visit <http://www.facs.org/ahp/views/emtala-tax.html>. To send a letter to your legislators, go to <http://www.capitolconnect.com/acspa/>.

## **Combined quality data to become public**

On February 15, the Centers for Medicare & Medicaid Services (CMS) announced that one of its quality improvement organizations has sub-contracted with four regional cooperatives to combine the information on physician performance that Medicare and other insurers are gathering. According to CMS, physicians may use the data to assist them in improving the quality of care, and beneficiaries may use it to help with physician selection. The Delmarva Foundation for Medical Care is leading this effort. The quality measures to be used in reporting have been adopted by the AQA, an alliance of health care providers, health plans, and other parties that are interested in health care quality. The regional cooperatives are Indiana Health Information Exchange, Massachusetts Health Quality Partners, Minnesota Community Measurement, Wisconsin Collaborative for Healthcare Quality, and two others not yet named at press time. For more information, go to [http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp), scroll down to the list of press releases, and click on the one dated February 15.

## **CMS announces PQRI Web page**

CMS recently announced the availability of a new Web page for the 2007 Medicare Physician Quality Reporting Initiative (PQRI), which was created through a provision in the Tax Relief and Health Care Act of 2006. PQRI provides a financial incentive for eligible professionals who voluntarily report a designated set of quality measures on Medicare claims for services rendered from July 1 to December 31. Reporting physicians may earn a lump-sum bonus payment, subject to a cap of 1.5 percent of total allowed charges for covered Medicare physician fee schedule services. Many aspects of the PQRI are still in development, so the new Web page will be updated regularly to reflect any changes. For more information, visit <http://www.cms.hhs.gov/pqri/>.