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prepared by the Division of Advocacy and Health Policy

ACS comments on 2005 Medicare fee schedule

On September 24, the College sent strongly worded comments to the Centers for Medicare & Medicaid Services (CMS) regarding its proposed method of calculating the professional liability insurance (PLI) relative value units (RVUs) in the Medicare physician fee schedule for 2005. The proposal, published in the August 5 *Federal Register*, remains essentially unchanged from the former methodology of calculating PLI RVUs, except it uses more current data. The resulting RVU changes would produce the largest percentage increase in allowed charges for dermatology, while neurosurgeons would experience the largest percentage decrease.

The College has suggested repeatedly that the agency use premium data for only the primary or dominant specialty providing each service when calculating PLI RVUs for each code. CMS ran a simulation of that methodology but discarded the idea virtually without comment.

CMS also proposed a change in the definition of a supplier of durable medical equipment, prostheses, orthotics, and supplies that would bar physicians from acting as suppliers. The College urged CMS to retain the current definition of a supplier, suggesting that in many cases patients need the items to leave the surgeon's office. For a copy of the comments, go to <http://www.facs.org/ahp/views/medicare2005.html>.

Solutions proposed for "crossing the quality chasm"

A new report from the Institute of Medicine (IOM) summarizes strategies and action plans developed by national and community health care leaders at a summit on improving quality. The group convened in January as a follow-up to the 2001 IOM report, *Crossing the Quality Chasm*. Participants, including LaMar S. McGinnis, Jr., MD, FACS, focused on strategies to improve patient care for five common chronic illnesses.

The strategies shared at the summit include instituting performance-based payment models, implementing evidence-based benefit design, leveraging federal leadership to accelerate the adoption of electronic health records, improving public reporting of quality outcomes, and aligning financial incentives to reward seamless care coordination and self-management. The report also summarizes commitments by national organizations to support the aims delineated in the IOM's report on the quality chasm. For more information, go to <http://www.iom.edu/report.asp?id=22344>.

JCAHO and NQF to look at DVT

The Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and the National Quality Forum (NQF) announced a collaborative project to develop and standardize performance measures for the prevention and care of deep vein thrombosis (DVT). The NQF will be responsible for developing organizational policies, procedures, care practices, and appropriate improvement interventions. JCAHO will create the measure set, as well as the specifications and testing of these measures. A content-specific steering committee will be formed in the weeks to come to provide advice and insights for the final measures. For more information, go to: http://www.jacho.org/news+release+archives/jcaho_092704.htm.

GAO finds Medicare PPOs offer few advantages

The General Accountability Office (GAO) recently examined a CMS demonstration program that allows higher payments to preferred provider organizations (PPOs) that serve Medicare beneficiaries. Thus far, the demonstrations have attracted relatively few enrollees (98,000, or less than 1 percent of 10.1 million eligible beneficiaries in this demonstration) and did little to expand access to care or save Medicare money. This poor showing came despite higher costs to the program, with CMS projecting an extra cost of \$652 per beneficiary.

The GAO further said that CMS had “exceeded its authority” by allowing 29 of the 33 participating PPOs to limit patient choice of providers offering skilled nursing and home health care, dental care, and routine physical examinations. Patients who went out of network were liable for the full cost of their care, the report said. The complete report can be found at <http://www.gao.gov/cgi-bin/getrpt?GAO-04-960>.

CMS plans to cover implantable defibrillators

CMS is expanding coverage of implantable cardioverter defibrillators (ICD) based on new clinical studies showing potential benefits for patients who have never had a heart attack. Based on these results, the draft decision recommends coverage for most of the population studied in the trial, including patients with heart failure, poor left ventricle function, and certain EKG readings. As part of this decision, CMS will work with manufacturers and clinical experts to develop a registry to track progress of patients who receive the device. This is one of what is likely to be more coverage decisions encouraging sponsors to participate in expanded clinical trials. The coverage decision can be read at: <http://www.cms.hhs.gov/mcd/viewdraftdecisionmemo.asp?id=139>.

Shortage of on-call specialists

Two-thirds of emergency department medical directors surveyed report shortages of on-call specialists at their hospitals, according to a study released by the American College of Emergency Physicians (ACEP). Survey participants said the problem may cause delays in patient treatment and increase patient transfers between emergency departments.

About 8 percent of the respondents said their hospitals were paying stipends for on-call commitments from specialists, while 15 percent were guaranteeing certain levels of payment for services, and 14 percent were providing some measure of medical liability coverage. ACEP said the study shows further stress on an already strained emergency care system and indicated that it will urge a new government-sponsored Emergency Medical Treatment and Labor Act Technical Advisory Group to address the issue.

ACEP said it next plans to examine whether on-call coverage problems are greater in states with medical liability crises and a high penetration of specialty hospitals and outpatient surgery centers. For more information, go to: <http://www.acep.org/1,34081,0.html>.