

Dateline Washington

prepared by the Division of Advocacy and Health Policy

Congressional hearing on P4P and Medicare cuts

At press time, Congress was continuing to debate legislation that would implement pay for performance (P4P) for physician services provided under Medicare. For example, the House Ways and Means Subcommittee on Health held a hearing September 29 on H.R. 3617, the Medicare Value-Based Purchasing for Physicians' Services Act of 2005. During the meeting, Mark McClellan, MD, PhD, Administrator of the Centers for Medicare & Medicaid Services (CMS), stated that the agency is moving forward with efforts to implement quality reporting measurements for physicians, beginning as early as January 1, 2006. These measures would serve as a basis for P4P for physicians. In response to questions about averting the projected 4.4 percent in cuts to Medicare physician payments between 2006 and 2011, Dr. McClellan expressed uncertainty about CMS' authority to make regulatory changes that would remove Part B drug expenditures from the sustainable growth rate (SGR) component of the formula used to calculate physician payments. Although removing Part B drugs from the SGR would not stop a payment cut in 2006, it would allow Congress to avert reductions in subsequent years. Rep. Nancy Johnson (R-CT), Subcommittee Chair and lead sponsor of H.R. 3617, and Rep. Mike Thompson (D-CA) voiced concerns about the potential effect of the cut in physician payments on access to care.

H.R. 3617 would avert the reimbursement cuts in 2006 and beyond by repealing the SGR and implementing P4P based on quality improvement efforts such as the Surgical Care Improvement Project (SCIP) and the National Surgical Quality Improvement Program. The College supports this sort of legislation.

ACS comments on 2006 fee schedule proposal

The College submitted comments to CMS September 30, addressing a proposed rule regarding the Medicare physician fee schedule for 2006. In its letter to Dr. McClellan, the College expressed disappointment with the agency's continued failure to propose any steps to alleviate the projected -4.4 percent update to the conversion factor used to calculate payment under the physician fee schedule. The College believes that the agency does, in fact, have some discretion in determining the update factors and strongly recommends that CMS consider changes in the way it estimates spending increases under the fee schedule.

In addition, the College recommends delaying implementation of CMS' proposed practice expense relative value units for 2006 until enough data and information are available to allow the public to adequately review and assess the validity of the new methodology. The College also questions some of the agency's proposals related to liability relative value units and voices its support for CMS' proposal for a new multiple-procedure reduction for the technical component of certain radiology services. The ACS, however, opposes continuation of an oncology demonstration project on the grounds that this effort is inconsistent with current attempts to develop evidence-based medicine. The College's comments are posted at <http://www.facs.org/ahp/views/medicare2006.html#1>.

CMS continues development of quality efforts

CMS and the Hospital Quality Alliance have added two measures for preventing postoperative infections, as well as a value for treatment of pneumonia, to the Hospital Compare Web site. The first two measures are part of a larger set of patient safety measures that will be collected as part of SCIP. SCIP—developed in collaboration with federal agencies, hospitals, and surgical organizations, including the College—is designed to improve patient safety and reduce by 25 percent the incidence of postoperative complications in U.S. hospitals by 2010. Hospital Compare is intended to serve as a tool for patients to use in assessing the quality of care provided at their local hospitals. The Hospital Compare Web site is located at <http://www.hospitalcompare.hhs.gov>.

In addition, CMS is soliciting proposals for the Medicare Health Care Quality Demonstration, a five-year study to discover means for identifying, developing, testing, and disseminating health care system improvements at the local or regional level. The goal is to provide support for health care organizations and their communities to adopt and use decision-support tools, such as evidence-based guidelines, to reduce practice variations, measure outcomes, improve quality, and reduce costs. Physician groups, integrated delivery systems, and regional coalitions of such groups or systems are invited to apply to participate by submitting a proposal by January 30, 2006. For further information, visit <http://www.cms.gov/researchers/demos/mma646/>.

Health information commissioners selected

U.S. Department of Health and Human Services (HHS) Secretary Mike Leavitt has selected 16 individuals to serve on a federally chartered commission to advise him on creating digital and interoperable health information. The American Health Information Community has been established to help achieve President Bush's goal of having most Americans using interoperable electronic health records within 10 years. The HHS Secretary will chair the commission, composed of ranking members of related federal agencies as well as businesses and associations that represent the interests of health care and the information technology industry. For more information, visit www.hhs.gov/healthit.

DMLR launches new education campaign

On October 6, Doctors for Medical Liability Reform (DMLR) launched a new public education initiative. The interactive, grassroots campaign involves an animated e-mail messaging and direct-mail campaign aimed at engaging the public in the issue of liability reform. DMLR is a coalition of nine medical and surgical specialty organizations, including the American College of Surgeons Professional Association. The first animated e-mail message and further information are available through DMLR's Web site, at www.protectpatientsnow.org.