Advocacy Update
July 24, 2013

Energy and Commerce Health Subcommittee advances legislation to repeal SGR

On July 23, the House Energy and Commerce Subcommittee on Health approved by voice vote bipartisan draft legislation to repeal the sustainable growth rate (SGR) and implement a new Medicare physician payment update based on performance under an expanded PQRS program. The bill provides for an initial five years of positive updates at 0.5 percent per year. Beginning in 2019, physicians would have the opportunity to earn an additional 1 percent for successful participation in an expanded PQRS program. Physicians who score poorly would be subject to cut of 1 percent (a net cut of -0.5 percent). In addition, the draft provides for the development of alternative payment models that would allow physicians to opt out of the new reporting requirements.

The current draft reflects significant progress from previous versions of the legislation. The committee is committed to continuing its dialogue with the physician community to develop a new Medicare system that is better for physicians and patients. The AMA remains actively engaged in these discussions to ensure that committee members and staff are aware of its outstanding concerns and that the legislation will align with the principles put forth by the physician community.

The draft will be introduced as legislation by Rep. Mike Burgess, MD (R-TX) and cosponsored by the Chairs and Ranking Members of both the full Energy and Commerce committee and the Health Subcommittee—Reps. Upton (R-MI), Pitts (R-PA), Waxman (D-CA), and Pallone (D-NJ) as well as Chair Emeritus John Dingell (D-MI). The full committee will mark up the legislation during the week of July 29 prior to adjourning for the August congressional recess.

Upcoming Congressional August recess provides physicians prime grassroots opportunity

Congress will begin its traditional five-week summer recess on August 3, providing physicians with a timely and valuable opportunity to meet with lawmakers on key issues. Specifically, recent committee hearings and legislative proposals focused on repeal of the SGR formula and the future of physician payment models require urgent action by physicians as lawmakers return home to interact with constituents.

In the coming days, stay tuned to the Physicians’ Grassroots Network for the latest information and action alert for physicians, including extensive talking points on repealing the SGR and steps physicians can take to effectively communicate with their elected officials over the next five weeks.

Your help is needed! It is important that physicians take this opportunity to email, call and schedule meetings with their members of Congress. Progress has been made, but significant work still remains. Your participation and promotion of this action alert over the coming weeks is necessary to encourage lawmakers to continue working towards repeal of the SGR.
AMA comments to CMS on proposed 2014 Hospital Inpatient Payment System

On June 25, the AMA submitted comments to CMS on its proposed rule for the 2014 Hospital Inpatient Prospective Payment System (IPPS). The comments address the ongoing issue of observation care, RACs, and hospital quality reporting. Specifically, the AMA commented that the AMA does not support CMS’ proposal of a new hospital inpatient admission medical review benchmark of one Medicare utilization day, or two midnight stays, and is concerned that CMS’ new inpatient admission policy will result in added administrative burden for physicians. The AMA urges CMS to consider the downstream effects of its proposal on physician time and patient access to care. The AMA also strongly urges CMS to require that Medicare Recovery Auditors (RACs) be: 1) required to have audits conducted by a physician of the same specialty and/or subspecialty and licensed in the same jurisdiction as the admitting physician; 2) required to limit the scope of hospital admission audits to the information in the medical record that was known to the physician at the time of admission; and 3) subject to a financial penalty when found to have made an erroneous overpayment determination. Finally, the AMA suggests that CMS explore whether the use of a short stay outlier payment adjustment might be a vehicle to remedy the trend of increased observation care and the related issues that this trend has caused for physicians and patients.

AMA Advocacy will continue its work to address these and other policy concerns as CMS formulates the final rule.

Early results from Pioneer Accountable Care Organizations (ACOs)

Initial results of the Pioneer ACO program, which were announced by CMS on July 16, show promise but also reveal that some of the Pioneers had difficulty translating quality improvements into lower cost care in the first year. Significantly, all 32 Pioneers met their quality benchmarks resulting in measurable improvements in their risk-adjusted readmission rates, blood pressure control, and cholesterol control for diabetes patients.

However, a number of the Pioneer ACOs did not meet their first-year cost benchmarks, and nine are reconsidering their participation—seven Pioneers have notified CMS that they intend to apply to the regular Medicare Shared Savings Program and two Pioneers plan to leave the program altogether. Taken together, the AMA believes these results, while promising, also show that there is no one-size-fits-all approach and that there is a need to continue working to develop a range of new payment and delivery models.

Revised 1500 Health Insurance Claim Form released

The National Uniform Claim Committee (NUCC), for which the AMA is the Secretariat, released an updated Health Insurance Claim Form, version 02/12. The NUCC updated the 1500 claim form to accommodate several changes, including the need to accept ICD-10 codes. The AMA continues to oppose the move to ICD-10, a federal mandate that will require ICD-10 starting October 1, 2014. It nonetheless remains a federal mandate. The updated 1500 claim form allows physicians to identify the version of the diagnosis code set being report, i.e., ICD-9 or ICD-10, expands the number of diagnosis codes that can be reported from 4 to 12, and improves the accuracy of certain data reported.

Medicare anticipates implementing the 02/12 1500 claim form as follows:

- Jan. 6, 2014: Medicare begins receiving and processing paper claims submitted on the 02/12 1500 claim form.
• Jan. 6 through March 31, 2014: Dual use period during which Medicare continues to receive and process paper claims submitted on the old 08/05 1500 claim form.

• April 1, 2014: Medicare receives and processes paper claims submitted only on the 02/12 1500 claim form.

A sample of the 02/12 1500 claim form is available on the NUCC Web site at: www.nucc.org. Also available is the NUCC’s 02/12 1500 Reference Instruction Manual, which provides instructions for completing the revised fields on the form.

Opportunity for physician input on Medicare Contractors

The Centers for Medicare and Medicaid Services (CMS) has created a tool that allows physicians to register their satisfaction levels with Medicare claims administration by signing up for their Medicare Satisfaction Indicator (MSI). Each year CMS will randomly select its MSI administration sample from a list of providers who register to become a participant. The contractors and CMS use the results to improve the level of service offered to all Medicare Fee-For-Service (FFS) providers. Physicians interested in registering can do so by completing a one-page form online by going here.

AMPAC invites state PAC chairs and directors to attend the annual AMPAC Federation Meeting in Washington, D.C., on Sept. 19–20, 2013

As currently scheduled, the program will begin on the morning of Thursday, Sept. 19 with a Capitol Hill briefing by AMA staff, and then provide time for visits with Congressional delegations. States should ensure that they schedule appointments with their Representatives and Senators directly. Hill visits will be followed by lunch at the Marriott and the first half of the program, including prognostications for the 2014 elections, and results of the latest round of AMPAC’s Physicians as Candidates research. Thursday evening will feature a dinner in honor of our guests. Friday morning will feature fundraising training. It is anticipated that the program will end by noon on Friday, September 20. A draft agenda was sent to states on July 17 and is available at http://bit.ly/15mMZl9

The meeting will be held at the Marriott Metro Center in downtown Washington, D.C. A room block is being held at the Marriott for a Wednesday, Sept. 18 check in and Friday, Sept. 20 check-out. The web link for reservations is https://resweb.passkey.com/go/AMPAC0913. The room rate is $279 per night plus tax. AMPAC will reimburse one state PAC Chair (or other physician officer) and one state PAC Director two nights’ room and tax each. The deadline for reservations is August 29. If you have any questions or want to register, please contact your Regional Political Director.