

## **Medicare Physician Payment Rate, GME Programs Affected by Budget Cuts**

Budget reductions called for by the Budget Control Act's sequestration provision took effect April 1, triggering a 2 percent reduction in the Medicare physician payment rate and in graduate medical education (GME) programs. The Medicare physician payment cut applies only to the payment and not to the allowed charge in the Medicare fee schedule, meaning that the cut is imposed only on the 80 percent of the allowed charge that a participating physician receives directly from Medicare. Beneficiary copayments and deductibles will not change, and patient copayments are based on the full allowed amount. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130403sequesteroutcomes.html>.

## **State Medicaid Programs Drive PCMH Initiatives Forward, Provide Lessons for Payers**

The patient-centered medical home (PCMH) model is gaining momentum from state Medicaid programs. By the end of 2012, PCMH initiatives had been started in 26 states. According to Mary Takach, RN, MPH, program director for the National Academy for State Health Policy, many of these states would not otherwise have had medical home initiatives. The Medicaid-based programs serve as a lesson for public and private payers on how to implement and sustain innovative payment and delivery models. The Affordable Care Act also provided impetus for Medicaid PCMH initiatives to focus on patients who are chronically ill. The law gives Medicaid agencies with an approved state plan amendment a 90 percent federal match for two years to provide home health services when specific criteria are met. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130404statemedicaid.html>.

## **Panel Indicates Need for Medical Schools to Change Approach to Physician Training**

The overriding conclusion that emerged from a primary care policy forum held by the American Board of Family Medicine is that most medical school faculties are not well versed in the fundamental changes taking place in the nation's health care system, which makes it difficult for them to adequately prepare medical students and residents for practicing in the changing health care environment. President of the Josiah Macy Jr. Foundation, George Thibault, MD, who spoke as part of a three-member panel at the forum, indicated

that transformation of the health care system requires a transformation of the educational process. This is a goal, says Thibault, that can only be attained by having teachers in place to train students and residents about new health care payment and delivery models. For more information, visit <http://www.aafp.org/news-now/education-professional-development/20130321medschoolchange.html>.

## **Budget Requests for Physician Training Programs Are Focus of AAFP Testimony to Congress**

In written testimony submitted to the House Appropriations Subcommittee on Labor, Health and Human Services, and Education, the American Academy of Family Physicians (AAFP) urged Congress to invest in the nation's primary care workforce by providing adequate funding levels in the 2014 fiscal year budget for programs that are vital to the education and training of family physicians. It also reminded lawmakers that the United States faces a shortage of primary care physicians at the same time that millions of patients may be gaining access to the health care system as a result of health care reform, and called for specific funding amounts for several Health Resources and Services Administration-sponsored education and training programs. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130327budgetrequest.html>.

## **Report Calls for Fundamental Changes in How Physicians Are Paid, Gives Recommendations**

According to a study issued by the National Commission on Physician Payment Reform (available at [http://physicianpaymentcommission.org/wp-content/uploads/2013/03/physician\\_payment\\_report.pdf](http://physicianpaymentcommission.org/wp-content/uploads/2013/03/physician_payment_report.pdf)), the nation's health care system will not be able to control escalating health care costs without moving from a volume-based to a value-based physician payment system. The report calls for drastic changes to the current fee-for-service system and a five-year transition to a system that rewards quality and value-based care. To achieve this goal, the report makes 12 recommendations that provide a blueprint for transitioning to new systems of care. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130328paymentreport.html>.

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