



# Physician Payment

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As of December 22, 2011

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In 2011, the Academy:

- Provided extensive recommendations in a [letter](#) sent August 29 to CMS regarding the 2012 [proposed](#) Medicare physician fee schedule. In addition to commenting on other topics, the AAFP urged CMS to establish a more timely review of misvalued services and indicated that it would not be productive to ask the Relative Value Scale Update Committee's (RUC) to revalue evaluation and management services under the same structure, procedures, and methodology that it used to establish the current values.
- With presidents of the organizations that make up the Council of Academic Family Medicine (CAFM), sent CMS a [letter](#) on July 26 requesting CMS immediately withdraw or revise problematic language contained in a CMS [transmittal](#). With no notice, CMS changed the requirements for the primary care exception to the teaching physician rule. Historically, the rule has been that teaching physicians (preceptors) could not bill under the primary care exception for visits performed by PG1's in their first six months, unless the teaching physician was present for the key portion of the service. A ratio of one preceptor to no more than four residents was required, with the preceptor having no other duties during that time. The new language still requires one preceptor for 4 residents, but if more than one of the four is a PG1, then an additional preceptor now would be required.
- Responded to the CMS [proposed](#) Five-Year Review of Work Relative Value Units (RVUs) in a [letter](#) sent July 25. The AAFP supported the CMS proposal to follow the RUC's recommendations to increase the work value for nursing facility discharge day services and supported the CMS proposal to publish the RVUs for preventive medicine services codes. However, the AAFP expressed extreme disappointment that CMS maintained the work RVU values for observation care codes since the RUC had recommended increases to most of these codes.
- Submitted [comments](#) on July 5 to CMS regarding a [proposed rule](#) to bring greater transparency to the process that states use to set Medicaid payment rates. The AAFP voiced its support for the spirit of the proposal and suggested several criteria that may be most helpful in achieving the rule's goals. Additionally, the AAFP urged CMS to require states to notify the public of all Medicaid rate changes, as opposed to only nebulously defined "significant" changes, and also allow physicians and beneficiaries to provide states with feedback. The AAFP also joined the American Academy of Pediatrics, the American Medical Association (AMA) and other national and local organizations in a related [letter](#) dated June 20 and a separate [coalition letter](#) dated July 5.
- Joined with presidents from the Society of Teachers of Family Medicine, the Association of Family Medicine, the Association of Family Medicine Residency Directors, and the North American Primary Care Research Group in a June 6 comment [letter](#) submitted to CMS on the proposed Medicare Accountable Care Organization (ACO) regulation. The letter discussed concerns that the proposed Medicare ACO regulation could have significant negative effect on the Graduate Medical Education (GME) training infrastructure.
- In a May 25 [letter](#), responded to the Federal Trade Commission (FTC) and Department of Justice on the proposed antitrust enforcement policy regarding the Medicare ACO program. This letter outlines concerns with antitrust barriers to physician collaboration and encourages FTC efforts that enable primary care physicians to contract with all insurers on level playing fields. The letter also expresses concern that the revised policy only applies to groups integrating after March 23, 2010 and that the "rule

of reason” analysis applies only to the three-year Medicare ACO program period instead of a longer timeframe.

- In a May 20 [letter](#) to CMS, offered extensive comments on the proposed Medicare ACO program, emphasizing the important role that primary care physician practices should play, and describing how the proposed regulations should be changed to enable that to happen. The AAFP also created a [summary](#) of the proposed rule.
- In a March 16 [letter](#) to CMS commented on a proposed rule that, beginning July 1, prohibits federal payments to state Medicaid programs for “healthcare acquired conditions”. Though the AAFP supports efforts to eliminate both “never events” and healthcare acquired conditions, the letter pointed out that little evidence links payment denial with improved outcomes.
- Responded in a March 14 [letter](#) to the Joint Commission on their proposed new Primary Care Home standards. The AAFP commented by comparing their criteria with the recently [published](#) “Guidelines for

Patient-Centered Medical Home (PCMH) Recognition and Accreditation Programs” developed by the

AAFP, the American College of Physicians, American Academy of Pediatrics, and the American Osteopathic Association.

- In a March 1 letter to the Comptroller General of the Government Accountability Office (GAO), nominated Rick Kellerman, MD, FAAFP to serve on the Medicare Payment Advisory Commission.
- Sent the CMS a [letter](#) on February 23 regarding the development of a Recovery Audit Contractor (RACs) program for the Medicare Part C (Medicare Advantage) and Part D (Prescription Drug Plan) programs.
- On February 21, sent HHS’s Office of Inspector General (OIG) a comment [letter](#) in response to the solicitation of new safe harbors and special fraud alerts.