

## **AAFP Responds to Draft Proposal on Sustainable Growth Rate Formula, Medicare Payment System**

The American Academy of Family Physicians (AAFP) has responded to a House draft proposal that would eliminate the sustainable growth rate (SGR) formula and reform Medicare by moving it from a volume-based to a value-based payment system. In a letter to the House Ways and Means and Energy and Commerce committee chairs, the AAFP critiqued the draft proposal while reiterating its positions on Medicare payment reform and the elimination of the SGR. The AAFP called for a blended payment model entailing a fee-for-service base, as well as a risk-adjusted, per-member, per-month management fee and an incentive for achieving quality benchmarks. Other recommendations from the AAFP included improvements to the health care system, such as medical liability reform that holds physicians harmless when they adhere to a standard of care, and workforce training reform to ensure that more primary care residents are trained in nonhospital settings. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130417sgrdraft2.html>.

## **FDA Approves Labeling for Reformulated, Abuse-Deterrent Version of Oxycontin**

The U.S. Food and Drug Administration (FDA) has approved updated labeling on a reformulated version of oxycodone hydrochloride controlled-release (Oxycontin) tablets. The new labeling indicates that the product has physical and chemical properties that are expected to make abuse via injection difficult and to reduce intranasal abuse while still providing the same therapeutic benefits as original Oxycontin. The FDA stated that the reformulated tablets are more difficult to crush, break, or dissolve, and they form a viscous hydrogel that cannot be easily prepared for injection; however, abuse of Oxycontin is still possible. The FDA determined that the benefits of original Oxycontin no longer outweigh its risks and removed it from the market because of safety and effectiveness concerns. Based on the FDA's authority to require generics to have abuse-deterrent properties, the FDA will no longer accept or approve any new drug applications that rely on approval of the original formula for Oxycontin. For more information, visit <http://www.aafp.org/news-now/news-in-brief/20130417wklynewsbrfs.html#NewsArticleParsys65748>, or read the FDA press release at <http://www.fda.gov/NewsEvents/Newsroom/PressAnnouncements/ucm348252.htm>.

## **AAFP Recommends That CMS Create New E/M Codes Exclusively for Primary Care Physicians**

The AAFP sent a letter to the Centers for Medicare and Medicaid Services (CMS) asking the agency to create new evaluation and management (E/M) codes exclusively for primary care physicians, and to include the new codes in the 2014 proposed Medicare physician fee schedule due out in July. The letter was a follow-up to a March meeting, during which representatives of the AAFP and CMS discussed payment for primary care services. The AAFP backed up its recommendation for new codes with detailed supporting documents and research conducted by an outside consulting firm. In July 2011, the AAFP created the Primary Care Valuation Task Force to address the issue of primary care payment solutions. This task force released recommendations in 2012 that included calling for primary care-specific codes. For more information, visit <http://www.aafp.org/news-now/practice-professional-issues/20130405cmsltr-emcodes.html>.

## **CMS Launches Medicare Bundled Payment Initiative to Test Various Payment Methods**

The CMS recently launched a four-pronged test program called the Bundled Payments for Care Improvement Initiative. The bundled payment model replaces the conventional method of paying health care professionals individually and directly for the care they provide in favor of offering one lump sum payment to be divided among all who participate in a defined episode of care. The five-year initiative involves more than 100 participating health care organizations who will enter into payment arrangements that include financial and performance accountability for episodes of care. The AAFP officially supports the development of new Medicare payment methodologies that would assure fair payment for primary care services, but not necessarily bundled payment. For more information, visit <http://www.aafp.org/news-now/practice-professional-issues/20130416bundledpayinitiative.html> and <http://innovation.cms.gov/initiatives/bundled-payments/>.

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