

**Survey: Increasing Operating Costs Top List of Challenges for Medical Practices**

Coping with rising operating costs is the most difficult daily challenge of running a medical practice, according to a survey of 1,067 medical practice executives conducted by the MGMA-ACMPE (formerly the Medical Group Management Association–American College of Medical Practice Executives) and published in the July issue of *Connexion*. Survey participants ranked 54 issues and assessed how those issues affected their daily work. Financial management issues claimed the top five positions as areas of concern. The other top challenges included gearing up for reimbursement models that expect practices to handle increasing financial risks; overseeing practice finances while dealing with uncertain Medicare rates; getting paid by patients who self-pay or who participate in high-deductible plans and health savings account insurance plans; and understanding the total cost of an episode of care. MGMA-ACMPE President and Chief Executive Officer Susan Turney, MD, said that with additional federal mandates, increasing operating costs, and the prospect of payment cuts for health care services, it is understandable for practice executives and physicians to be concerned about financial management issues. For more information, visit <http://www.aafp.org/news-now/practice-professional-issues/20130808mgmasurvey.html>.

**Government Agencies Develop Strategy to Advance Health Information Exchange**

The Centers for Medicare and Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) have issued a report that outlines the federal government's plans to advance the progress of health information exchange throughout the country. Principles outlined in the report will be used to create a foundation that the U.S. Department of Health and Human Services (HHS) can employ to examine how programs and policies that move beyond electronic health record incentive programs and the ONC's Health Information Technology certification program are established and implemented. The principles are organized into three categories: accelerating health information exchange, advancing standards and interoperability, and furthering consumer/patient engagement. The HHS intends to use the principles to increase the pace at which the electronic exchange of health information occurs, and to guide future decisions on health care programs and

policies. The report is available at [http://www.cms.gov/ehealth/downloads/Accelerating\\_HIE\\_Principles.pdf](http://www.cms.gov/ehealth/downloads/Accelerating_HIE_Principles.pdf). For more information, visit <http://www.aafp.org/news-now/practice-professional-issues/20130816hiestrategy.html>.

**IOM Criticizes Plan to Base Medicare Value Index on Geographic Area**

Although some members of Congress have suggested creating a geographically based value index for Medicare, a new report by the Institute of Medicine (IOM) has criticized the idea as inefficient and unfair because it would not differentiate between high- and low-performing physicians and other health care professionals within specific geographic areas. The report noted significant variations in health care costs across the country, but found that in many instances, those variations occurred within specific, narrowly defined areas, which would make a geographic index a poorly targeted mechanism for improving value. The report also calls on Congress to continue testing innovative methods of payment and delivery, such as the patient-centered medical home model. These methods would encourage physicians and other health care professionals to integrate the delivery of care; coordinate care with other providers; and share data on service use, health outcomes, and other measures. For more information, visit <http://www.aafp.org/news-now/government-medicine/20130813iomgeography.html>.

**Primary Care Incentive Payments to Family Physicians Increased in 2012**

Medicare payments to family physicians participating in the Primary Care Incentive Payment program totaled more than \$251 million in 2012, according to recent CMS data. The figure represented an increase of nearly \$38 million compared with 2011, and averaged about \$3,650 per family physician. Overall, the program paid more than \$664 million to primary care physicians and other eligible health care professionals in 2012. Approximately one-half of the payments (49.4%) went to internists, followed by family physicians (37.9%), nurse practitioners (7.5%), and other health care professionals (5.2%). For more information, visit <http://www.aafp.org/news-now/government-medicine/20130806pcipresults.html>.

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