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NEXT WEEK IN WASHINGTON...

- * The Senate will be in recess for the week, while the House returns from a week-long recess of its own.
- * The Joint Select Committee on Deficit Reduction is scheduled to hold a public hearing on Wednesday, October 26, entitled, "Discretionary Outlays, Security and Non-Security." The Director of the Congressional Budget Office will be the witness.

1. MEDICARE ACO FINAL RULE INCLUDES CHANGES THAT AAFP RECOMMENDED

The final [rule](#) for Medicare's program to encourage providers to coordinate patient care differs significantly from an earlier proposal, reflecting changes proposed by AAFP. CMS envisions the new version released Thursday, October 20, will help create as many as 270 Medicare Accountable Care Organizations (ACOs), double the number in the proposed regulation.

The program would give physicians the opportunity to earn bonus Medicare payments if they save money by working closely together through ACOs, which each oversee care for at least 5,000 patients. The final rule includes revised provisions allowing providers to avoid penalties if they do not meet savings targets. It reduced the number of quality measures; relaxed requirements for provider use of electronic health records; and gave physicians access to up-front capital through an "advanced payment" program.

In a statement, AAFP noted that CMS accepted the AAFP recommendations to:

- allow primary care physicians to participate in more than one Medicare ACO;
- eliminate the proposed retrospective beneficiary assignment method and instead will use a preliminary prospective assignment method with beneficiaries identified quarterly;
- significantly reduce — from 65 to 33 — the number of individual quality measures used to determine if an ACO qualifies for shared savings;
- provide quality reporting requirements for years two and three of the program; and
- allow participation from Critical Access Hospitals, Federally Qualified health Centers and rural Health Clinics.

Moreover, the final rule recognizes that physician practices cannot convert their administrative procedures and health record systems overnight. By limiting the required number of quality measures to be reported to 33 and by phasing the reporting requirements in over three years, the rule gives small- to medium-sized practices both time and resources to transform their office procedures and other functions.

2. AAFP LEADERSHIP ADVISES CONGRESSIONAL AND ADMINISTRATION STAFF

Beginning with breakfast at the White House with the family physicians who care for the First Family, AAFP's President, President-Elect, Board Chair, and Executive Vice President met with Congressional staff and Administration officials to advocate for family physicians. The issues that Congress is grappling with currently include whether to repeal the Sustainable Growth Rate (SGR) formula as part of the Medicare physician payment schedule and if so how to account for the \$300 billion debt incurred over the past ten years. In addition, Congress is trying to decide whether to address the SGR problem in the context of the Joint Select Committee on Deficit Reduction (the "Supercommittee") or as part of the regular order of business. In addition, the Supercommittee may be considering a reduction in Medicare's Graduate Medical Education (GME) funding. The AAFP leaders told Congressional offices that the SGR should be repealed and that Congress should specify a payment rate for a definite period (3 -5 years) with a higher payment rate for primary care physicians.

They also met with officials from CMS and the Office of the National Coordinator of Health Information Technology to discuss the final ACO rule, HIT implementation issues, the new CMS payment reform proposal to support primary care, the rules governing the Health Insurance Exchange and the Health Care CO-OPs.

3. AAFP PRESIDENT ASKS MEMBERS TO HELP OPPOSE GME CUTS

Today, the Family Medicine Matters grassroots campaign launched the first [video](#) in a series of three from Dr. Glen Stream, the AAFP's President. This video explains the budget cuts facing Medicare Graduate Medical Education (GME) and encourages members to contact their Congressional legislators. Depending on where the AAFP member lives, using Speak Out, she or he will be provided a draft e-mail either thanking the legislator for signing a bipartisan letter to the members of the Joint Select Committee on Deficit Reduction, which urged the committee to repeal the SGR or asking the legislator not to agree to cutting GME funds.

4. SENATE DROPS PROPOSAL FOR PRESCRIPTION DRUG IMPORTATION

By a vote of 45-55, the Senate on Thursday, October 20, turned back an amendment that would have barred the Food and Drug Administration (FDA) from preventing an individual from bringing prescription drugs into the United States from Canada if the individual is otherwise in compliance with FDA rules. Senator David Vitter (R-LA) tried to attach the proposal to a fiscal 2012 appropriations bill (HR 2112) that includes funding for the FDA.

The proposal would give Americans, particularly seniors, another option for buying less expensive and safe prescription drugs. It would apply only to small amounts of FDA-approved prescription drugs that are for personal use. Senator Barbara A. Mikulski (D-MD) opposed the amendment, saying that the government could not be sure that such drugs were not counterfeit.

5. REGULATORY BRIEFS

- On October 14, the Centers for Medicare & Medicaid Services (CMS) finalized two new national coverage determinations that cover [alcohol misuse](#) screening and behavioral counseling for Medicare beneficiaries as well as screening for [depression](#). In August, the AAFP sent [letters](#) supporting these proposals.
- On October 17, CMS announced the [Innovation Advisors Initiative](#) which is intended to help health professionals deepen skills that will drive improvements to patient care and

reduce costs. CMS indicated there will be up to 200 Innovation Advisors that will attend in-person meetings as well as remote sessions. They will be expected to commit up to 10 hours per week during the initial six months of the initiative. Each participating Advisor's home organization will receive a stipend in conjunction with their participation; however, Advisors will not become employees of CMS, any other government office or agency. The deadline to submit applications is November 15, 2011. Innovation Advisors will be notified of their selection by mid-December 2011.

- On October 18, as part of the Administration's effort to reduce unnecessary regulations, CMS proposed an updated [Condition of Participations for Hospitals and Critical Access Hospitals](#), proposed a [regulation](#) entitled *Regulatory Requirements for a Broader Range of Health Care Providers and Suppliers who are Regulated under Medicare and Medicaid*, and finalized the [Conditions of Coverage for Ambulatory Surgical Center](#). CMS says the three rules aim to promote efficiency and transparency, and reduce health care providers' overall regulatory burden. The agency estimates the three rules will save \$5 billion over five years. The AAFP will provide formal comments on the proposals by the mid-December due date.
- On October 20, CMS issued the much anticipated final Medicare Shared Savings Program [regulation](#), announced the [Advanced Payment Model](#), and released related fact [sheets](#). Also CMS and the HHS Office of Inspector General (OIG) issued an [interim final rule](#) with comment period addressing waivers of certain fraud and abuse laws in connection with the Shared Savings Program. The AAFP will prepare and distribute a summary for members.
- November 1st is the deadline to request a hardship exemption in order for physicians and group practices to avoid the 2012 Medicare Electronic Prescribing (eRx) Incentive Program penalty. CMS recently created a related [document](#) and quick reference [guide](#) to help practices determine if they are subject to the 2012 eRx payment penalty.

6. ARIZONA AFP FIGHTS SCOPE EXPANSION ATTEMPTS

On Monday, October 31, the Arizona Legislature will hold an interim joint committee hearing on applications from non-physician providers for expansions of their scope of practice. Notably, psychologists and chiropractors both seek prescriptive authority. The **Arizona Academy of Family Physicians** sent separate letters to the committee voicing their strong opposition to both applications. Should the interim committee accept the applications, the matter will go before the full legislature for consideration when it reconvenes for its next regular session, beginning in January. At the AZ AFP's request, AAFP also is sending letters opposing the scope expansion applications.