

August 24, 2012

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NEXT WEEK IN WASHINGTON...

- * On Monday August 27 from 1-3pm (Eastern), CMS will hold a conference call regarding Accountable Care Organizations; further details can be found in the Regulatory Briefs.

1. AAFP REACTS TO 2013 PROPOSED MEDICARE PHYSICIAN FEE SCHEDULE

The AAFP responded to the [proposed](#) 2013 Medicare physician fee schedule in an August 22 [letter](#) sent to the Centers for Medicare & Medicaid Services (CMS). The agency is accepting comments from the public until September 4.

In the agency's proposal, CMS estimates that the statutory formula used to determine Medicare physician payments in 2013 will result in a 27 percent decrease. The AAFP continues to call on Congress to stabilize Medicare physician payments by repealing the flawed sustainable growth rate formula and specifying a positive annual payment update for the next three to five years while demonstration programs undertaken by CMS and others generate data to determine the best alternative payment methods moving forward. To begin closing the gaping disparity between payments for primary care and subspecialist services, the AAFP strongly recommends that Congress stipulate a higher rate (at least 2 percent higher) for primary care services provided by primary care physicians.

In general, the proposed regulation confirms that CMS is committed to developing new methods to pay primary care services under the Medicare physician fee schedule. The major feature of the proposed payment rule is CMS's attempt to create a post-discharge transitional care management fee and physicians can charge it if they see a patient within 30 days of discharge from a hospital or other healthcare facility.

Further details can be accessed in the entire letter, but in summary the AAFP:

- Supports CMS's proposal to create a post-discharge transitional care management fee as a short term payment strategy; however, the AAFP urges CMS to restrict use of this code to the patient's primary care physician.
- Supports CMS's intent to investigate potentially misvalued codes and to do so outside current processes.

- Urges CMS not to implement the Institute of Medicine's recommendations on geographic practice cost indices and instead refocus efforts to ensuring a properly distributed healthcare workforce that is meeting the demands of a growing beneficiary population.
- Supports the proposals to add recently covered "additional preventive services" to the list of Medicare telehealth services for 2013.
- Agrees with the proposal to add coverage of "additional preventive services" but the AAFP questions several of the proposed payment amounts.
- Considers reasonable the proposal to require that a physician has a face-to-face encounter with a beneficiary within 90 days before or 30 days after a written order for certain Medicare covered durable medical equipment.
- Appreciates that CMS proposes to establish a Physician Quality Reporting System (PQRS) informal review process and that the agency proposes to continue most of the program uninterrupted.
- Supports the CMS proposal to create new criteria for being a successful electronic prescriber for groups of 2-24 eligible professionals using the eRx GPRO and the AAFP supports the proposal to establish an informal review process,
- Strongly supports CMS's proposal to streamline the implementation of the PQRS incentive and reporting programs within the context of the Medicare Shared Saving Program.
- Mostly supports CMS proposal to begin applying the value-based payment modifier only to groups of 25 or more eligible providers in 2015 so the agency can begin learning how to properly fulfill the statutory requirements. However, the AAFP remains concerned with CMS's inability to specify the exact amount of the upward payment adjustment because of budget neutrality considerations.
- Fully supports the agency's proposal to begin Medicare Part B coverage of the Hepatitis B vaccine for high risk groups, specifically persons with diabetes.

2. CMS SELECTS PRACTICES FOR THE COMPREHENSIVE PRIMARY CARE INITIATIVE

Also on August 22, CMS [announced](#) the names of 500 primary care practices located in seven regions across the country that have been selected to participate in CMS' Comprehensive Primary Care (CPC) initiative. According to CMS, the initiative will include more than 2,000 health care professionals and nearly 300,000 Medicare beneficiaries. About 1,300 family physicians will play a vital role in testing the multipayer demonstration project, which will incorporate a blended payment model that will include fee-for-service payments; a per-patient, per-month care coordination fee; and the opportunity for practices to share in any savings that are accrued.

The number of CPC initiative family physician participants by region includes an estimated:

- 172 in Arkansas (statewide),
- 222 in Colorado (statewide),
- 163 in New Jersey (statewide),
- 129 in New York (Capital District-Hudson Valley region),
- 166 in Ohio (Cincinnati-Dayton and northern Kentucky regions);
- 181 in Oklahoma (Greater Tulsa region), and
- 288 in Oregon (statewide).

Practices were chosen for the project based on a number of factors, including practice size and location, proficiency with electronic health records, participation in practice transformation and improvement activities, and service to patients covered by participating payers. More information on the CPC initiative can be found on the AAFP's dedicated CPC initiative [website](#), a recent AAFP News Now [article](#), and the CMS Innovation Center's [website](#).

3. RESPONSE SENT TO AHRQ ON QUALITY MEASUREMENT ENABLED HIT

In a regulatory comment [letter](#) sent August 20, the AAFP responded to the Agency for Healthcare Research and Quality's (AHRQ's) request for public comments regarding quality measurement enabled by HIT. In the response, the AAFP answered 15 specific questions asked by the AHRQ. Within these answers, the AAFP expressed a commitment to serving the needs of family physicians to improve the health of patients, families, and communities. As strong advocates for the use of health IT within a medical practice, the AAFP will continue to encourage family physicians to engage and encourage their patients with health IT options so that patients are more empowered to take a role in their own healthcare.

4. REGULATORY BRIEFS

- On July 30, HHS [announced](#) the hospitals selected to participate in the Graduate Nurse Education Demonstration, which is designed to train more Advanced Practice Registered Nurses (APRNs). In this effort, collectively five selected hospitals will receive total reimbursement payments of up to \$200 million over four years to work with nursing schools to train APRNs. The Hospital of the University of Pennsylvania, Duke University Hospital, Scottsdale Healthcare Medical Center, Rush University Medical Center, and Memorial Hermann-Texas Medical Center Hospital were selected to participate. The AAFP had sent CMS a [letter](#) on April 4 urging CMS to only select participants that exclusively produce APRNs that deliver primary care services.
- On August 2, the Health Resources and Services Administration [awarded](#) \$2.3 million in grants to help 12 schools train returning veterans as primary care physician assistants or PA educators.
- On August 6, HHS Secretary Sebelius issued a [statement](#) regarding Community Health Center Week.
- On August 6, HHS announced average basic premiums for Medicare prescription drug plans are projected to remain constant in 2013. The average 2013 monthly premium for basic prescription drug coverage is expected to be \$30, the same as the projections for 2012.
- On August 7, HHS released a new regulation that adopts electronic remittance advice (ERA) operating rules. HHS is accepting comments on this regulation through October 9, 2012.
- On August 10, the CMS Innovation Center announced that three new consortia in Florida, Illinois, and Virginia will join other participants in the [Independence at Home demonstration](#). This effort is designed to test the effectiveness of providing chronically ill Medicare beneficiaries with primary care services in the home.
- On August 15, HHS announced a new partnership with pharmacies to help educate Medicare beneficiaries about new Medicare benefits available under the *Affordable Care Act*. CVS Caremark, Walgreens, Thrifty White, Walmart, and Sam's Club will provide Medicare beneficiaries a range of educational materials on newly available preventive services, as well as savings on prescription drug spending in the "donut hole" coverage gap.
- On August 16, "[Health Policy Brief: Graduate Medical Education](#)" was released by Health Affairs under a partnership with the Robert Wood Johnson Foundation. It contains a section specific to GME funding and primary care. In this section, the brief states, "The American Academy of Family Physicians has argued that any increase in the number of Medicare-funded GME training slots should be dedicated to primary care. Specialty societies strongly oppose the idea, however. Congress, meanwhile, has been reluctant to wade into issues that divide primary care physicians and non-primary care specialists."
- On August 17, CMS announced the third round of [Community-based Care Transitions Program](#) (CCTP) participants. These 17 additional sites will join the 30 organizations already participating in the CCTP, bringing the total number of sites to 47. The program is designed for participants to work with local hospitals and other health care and social service providers to support Medicare patients who are at increased risk of being readmitted to the

hospital while transitioning from hospital stays to their homes, a nursing home, or other care settings. The Innovation Center continues to accept applications as long as funding is available.

- On August 20, CMS released updated statistics regarding Medicare beneficiary use of preventive services made available by the *Affordable Care Act*. CMS states that nearly 5.4 million Medicare Part D enrollees saved over \$4.1 billion on prescription drugs, 18 million people with Medicare received preventive services in the first seven months of 2012, and that 18 million people with traditional Medicare have received at least one preventive service at no cost to them within 2012. As part of this release, CMS posted [state-by-state information](#) on savings in the donut hole.
- On August 21, CMS announced the complete redesign of [Medicare.gov](#) which is intended to improve online experiences for beneficiaries.
- On August 23, HHS announced that California, Connecticut, Hawaii, Iowa, Maryland, Nevada, New York, and Vermont received new grants to help support the establishment of Affordable Insurance Exchanges. Previously, 49 states, the District of Columbia and four territories received grants to begin “planning” Exchanges. With today’s awardees, 34 states and the District of Columbia have also received “establishment” grants to begin building their Exchanges. A state-by-state breakdown of grant awards can be found on the HHS [website](#).
- On Monday August 27 from 1-3pm ET, the CMS Innovation Center will conduct a national conference call titled, “Seeking Input on ACO Educational Opportunities”. On the call, CMS staff will provide a brief introduction and then open the phone lines for members of the public who wish to contribute to the dialogue. No registration is needed; dial 866-501-5502 and reference conference ID: 1602701.