

REPUBLICAN MEDICARE PACKAGE
Summary of Physician/Health Care Professional Provisions
June 4, 2008

MEDICARE IMPROVEMENTS

Physician Payment Update.

Replaces the scheduled 10.1% cut to the Medicare physician reimbursement rate with an 18-month update. Continues the 0.5% increase through December 31, 2008 and provides an additional 1.1% update for 2009 as recommended by the Medicare Payment Advisory Commission (MedPAC). Revises the Physician Assistance and Quality Initiative fund in 2013 and deposits excess savings to help fund a physician update in subsequent years.

Quality Improvements.

Extends and improves the physician quality reporting system through 2010 and increases PQRI incentive payments to 2.0% in 2009 and 2010. Requires Secretary to accept aggregate data from group practices on PQRI measures that target high-cost chronic conditions and preventive care. Includes changes enacted in MMSEA to allow reporting on groups of measures for certain conditions, alternative reporting periods, and reporting via registries. Includes audiologists as eligible professionals for PQRI. Requires the Secretary to establish a confidential physician feedback program regarding resource use as of 2009. Requires the Secretary to develop a value-based purchasing plan for physicians and other professionals and submit a report to Congress.

Incentives for Electronic Prescribing.

Provides positive incentive payments for the use of a qualified e-prescribing system by eligible professionals from 2009 through 2013 (2% in 2009 and 2010, 1% in 2011 and 2012, and 0.5% in 2013). Eligible professionals are those whose services include at least 10% of eligible codes identified by the PQRI e-prescribing measure. Requires the use of a qualified e-prescribing system as of 2010 and adjusts payment for those eligible physicians who fail to use e-prescribing as of 2011 (-1% in 2011, -1.5% in 2012, and -2% in 2013 and beyond). Incentive payments are based on allowed charges for all covered Medicare services. Allows for significant hardship exceptions, such as professionals in rural areas without sufficient Internet access.

Imaging Accreditation, Appropriateness, and Disclosure Requirements.

Requires that facilities furnishing advanced diagnostic imaging services (MRI, CT, and nuclear medicine, including PET) be accredited to be eligible for Medicare payment for the technical component as of January 1, 2012. Establishes an accreditation process and requires the Secretary to designate accreditation organizations as of January 1, 2010. Requires GAO reports to Congress on the new accreditation requirement and its effect on access to imaging services for beneficiaries.

Establishes a two-year demonstration project to be implemented by January 1, 2010 to assess the appropriate use of imaging services by collecting data regarding physician compliance with clinical appropriateness criteria. Requires the Secretary to consult with

medical specialty societies and other stakeholders to select criteria regarding clinical appropriateness criteria. Criteria would have to be developed or endorsed by a consensus organization, such as the AQA. Secretary would use two models for collecting data: a point of service model and a point of order model. Prior authorization could not be used. Point of service model collects data from the physician to evaluate the effectiveness of appropriateness criteria and provides for feedback reports to the physician. Point of order model requires transmitting relevant information at the time of referral and provides feedback on the appropriateness of the service. Requires Secretary to report to Congress with evaluation and recommendations a year after completion.

Accommodation of Physicians Ordered to Active Duty in the Armed Services.

Makes permanent a provision permitting physicians in the armed services to engage in substitute billing arrangements for longer than 60 days when they are ordered to active duty.

Extension of Exceptions Process for Medicare Therapy Caps.

Ensures Medicare beneficiaries access to therapy services through December 31, 2009.

Speech-Language Pathology Services.

Allows speech-language pathologists practicing independently to bill Medicare directly for their services.

Coverage of Items and Services Under Cardiac Pulmonary Rehabilitation Programs.

Provides coverage for items and services furnished under a cardiac rehabilitation program or under a pulmonary rehabilitation program within the definition of covered medical and other health services, as of January 1, 2009.

Investment in Health Care Performance Measurement.

Requires the Secretary to contract with a consensus-based standards setting organization such as the National Quality Forum for four years to develop priorities for performance measurement, endorsement of measures, and maintenance of measures. Requires the Secretary to provide funds for developing measures of clinical quality and efficiency and other measures. Provides funding from 2009 through 2012.

Extension of Floor on Work GPCI.

Extends for eighteen months the work geographic index (GPCI) floor of 1.0 through December 31, 2009.

Extension of Treatment of Certain Physician Pathology Services.

Extends for eighteen months the provision that allows independent laboratories to continue to bill Medicare directly for the technical component of certain physician pathology services provided to hospitals as authorized by the Balanced Budget Act of 1997 through December 31, 2009.