



July 10, 2008

Dear AMGA Member:

Yesterday the United States Senate passed HR 6331, the “Medicare Improvements for Patients and Providers Act of 2008.” The House passed the bill with overwhelming support late in June, and the bill will now go to the President for his signature. The White House stated yesterday that the President opposes the bill, but the House and Senate votes in support of it are sufficient to override a veto.

The legislation averts the 10.6 percent cut that physicians would have experienced beginning with Medicare claims submitted after July 1 replacing it with a 0.5 percent increase for the remainder of 2008, and a slight increase in 2009. Importantly, the legislation also contains provisions of significance to multi-specialty medical groups, and other organized systems of care, which AMGA has actively advocated for over the last 18 months.

Notably, the legislation includes [AMGA's proposal](#) to expand the Physician Quality Reporting Initiative (PQRI) to include a group reporting mechanism. The legislation also provides incentive payments for the use of e-prescribing beginning in 2009. AMGA was the first physician organization to support eRx legislation and lobbied extensively for these incentives. Since many AMGA members have already embraced quality reporting and the use of advanced technology, financial rewards for those practices is good news for AMGA members.

The expansion of the PQRI program for medical groups will target high-cost chronic conditions, preventive care, and provide for the use of a statistical sampling method to submit group-level data on the measures beginning in 2010. In addition, the bonus payments for eligible professionals will be 2.0 percent beginning in 2010. Further details on the implementation of the program will be handled by the Centers for Medicare and Medicaid Services (CMS), through the regulatory process. AMGA will notify members as details of the regulatory proposals become available.

The legislation also provides incentive payments for electronic prescribing (eRx) in the Medicare program from 2009-2013. Reporting will be done through eRx quality measures, and bonus payments will be greater for medical practices that are early adopters of the technology: for 2009 and 2010, the payment will be 2.0 percent; for 2011 and 2012, the payment will be 1.0 percent; and for 2013, the payment will be 0.5 percent.

In 2012, and subsequent years, eligible professionals that are not successfully prescribing electronically will see adjustments in their payments under the fee schedule: for 2012, the adjustment will be a 1.0 percent reduction; for 2013, it will be a 1.5 percent reduction; and for 2014 and beyond, it will be 2.0 percent reduction. The legislation also allows the Secretary of Health and Human Services to exempt eligible professionals from the reductions in cases of significant hardship, such as lacking access to sufficient internet access.

Together, the provisions on eRx and group reporting in the PQRI provide recognition of and financial rewards for actions that advance the AMGA philosophy of providing coordinated, patient-centered care and preventive services for every patient.

There are several other provisions in the legislation of note, such as the extension of the Medicare work geographic practice cost adjustment for rural areas. Specifically, the work floor will be increased to 1.5 percent for 2009. The current therapy cap exceptions process for physical, occupational, and speech-language pathology services has also been extended through 2009. The legislation also repeals the Medicare Competitive Bidding Demonstration Project for Clinical Laboratory Services, and delays implementation of the controversial competitive bidding program for durable medical equipment, orthotics, prosthetics and supplies until 2009 while making other reforms to the program, such as excluding rural areas from bidding.

H.R. 6331 also makes structural changes to the Medicare Advantage Private Fee-For-Service (PFFS) plans. Under this legislation, PFFS plans are not eliminated, rather, they must revise their business practices. The legislative language requires the loosely connected plans to create networks with physicians under contracts, similar to Medicare Advantage's networks, by 2011. The PFFS program was developed as a temporary plan, to grant seniors more access to care, with participating physicians eventually becoming part of a network.

AMGA will keep you informed as new information on the legislation becomes available, from the President's signature to the regulatory proposals that will implement the changes.

Resources:

Visit the Senate website to view the [roll call vote](#).

The full text of H.R. 6331 is available [here](#).