This Week in Health Policy…
- Medicare Physician Payment Update
- Small Business Tax Credits
- Annual Quality and Disparities Report
- HHS Request for Comments
Medicare Physician Payment Update

The NMA supports a permanent repeal of the flawed sustainable growth rate (SGR) formula. We are monitoring the SGR debate closely, and we will keep the membership informed on developments. We strongly urge you to call your Senator and insist that the SGR formula be repealed. Click here for contact information for your Senator.

Meanwhile on Thursday, the U.S. Senate passed the Continuing Extension Act of 2010. President Obama signed the legislation into law late Thursday evening. The passage of the bill restores full payments to doctors who treat Medicare patients through May 31st. The extension provides the Senate with additional time to come to a solution on the SGR formula, similar to the one passed in the House of Representatives (H.R. 3961) which fixes the SGR formula permanently.

Earlier this week, the Centers for Medicare and Medicaid (CMS) instructed contractors to hold Medicare physician claims until Wednesday, April 14th. Any claims that were processed with the 21 percent cut will be retroactively adjusted to reflect the full payment rate.
Small Business Tax Credits

Health reform legislation signed by President Obama includes a Small Business Health Care Tax Credit to help small businesses afford the cost of providing health insurance for their employees.

What you should know about the small business tax credits:

• **Available Immediately.** The tax credit is effective January 1, 2010.
• **Broad Eligibility.** Firms must have less than the equivalent of 25 full-time workers (or fewer than 50 half-time workers), pay average annual wages below $50,000, and cover at least 50 percent of the cost of health care coverage for their workers.
• **Substantial Benefit.** The credit is worth up to 35 percent of a small business’s premium costs in 2010. On January 1, 2014, this rate increases to 50 percent.
• **Non-Profits Eligible.** Tax-exempt organizations are eligible for a 25 percent tax credit in 2010. In 2014, this rate increases to 35 percent.
• **Gradual Phase-Outs.** The credit phases out gradually for firms with average wages between $25,000 and $50,000 and for firms with the equivalent of between 10 and 25 full-time workers.

See how the Small Business Health Care Tax Credit might affect four hypothetical small businesses.
The 2009 *National Healthcare Disparities Report* and the *National Healthcare Quality Report* were released on April 13th, by the Agency for Healthcare Research and Quality (AHRQ). AHRQ’s annual quality and disparities reports, which are mandated by Congress, report on more than 200 health care measures categorized in four areas: effectiveness, patient safety, timeliness, and patient-centeredness.

The 2009 reports include a new section on lifestyle modifications, findings include:

- One-third of obese adults have not received advice about exercise from their health care provider.
- Minorities, low-income individuals, and those with less than a high school education are less likely to receive diet advice from their health care provider.
- Most American children have never received counseling from their health care provider about exercise or healthy eating.

Both reports are available at [http://www.ahrq.gov/qual/qrdr09.htm](http://www.ahrq.gov/qual/qrdr09.htm)
The Federal Government is inviting public comment to aid in the development of regulations regarding medical loss ratio requirements and premium reviews in the recently passed health reform legislation. Electronic comments may be submitted to the Department of Health and Human Services (HHS) at http://www.regulations.gov. The National Medical Association will submit comments to HHS to ensure that the regulations work towards the elimination of health disparities in the health care delivery system.

**Click here to comment on Medical Loss Ratio.**

*What?* Percentage of premium dollars that health insurance companies spend on medical care, as opposed to administrative costs or amounts retained for profit.

*Why?* The health reform legislation requires health insurance companies to submit annual reports to the HHS Secretary on their medical loss ratio. Insurance companies have to provide rebates to enrollees if the spending does not meet minimum standards. [Click here](#) for Background and Supplemental Information.

**Click here to comment on Premium Review Process.**

*What?* Annual review of unreasonable increases in premiums for health insurance coverage.

*Why?* The health reform legislation requires the HHS Secretary, in conjunction with States, to establish a process for the premium review process and health insurance providers are required to submit a justification for an unreasonable premium increase prior to the implementation of the increase. [Click here](#) for Background and Supplemental Information.
What You Can Do

We want to hear from you:

• Call your Senator and urge them to repeal the SGR formula. [Click here](#) for contact information for your Senator.
• Submit your comments on regulations for medical loss ratio requirements and premium reviews to HHS at [http://www.regulations.gov](http://www.regulations.gov).
• Submit your insights, concerns, questions, or comments to [healthpolicy@nmanet.org](mailto:healthpolicy@nmanet.org).

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