This Week in Health Policy...

- Medicare Physician Payment Update
- Dartmouth Atlas on Medicare Spending
- Accountable Care Organizations
- Report on Health Care Fraud
Yet again, physicians treating Medicare patients face a 21 percent pay cut on June 1st. Congress has proposed dealing with the flawed sustainable growth rate (SGR) formula with a temporary patch that could last for up to five years.

Temporary fixes will only lead to steeper cuts in the future and a larger price tag to repeal the flawed SGR formula permanently once the patch expires:

- In 2005, the scheduled Medicare physician payment cut was 3.3 percent, today it is 21.3 percent and will be nearly 37 percent in 2015 when the temporary fix expires.

- In 2005, the price tag to permanently repel the SGR formula was $49 billion, today it is $250 billion and if we wait to permanently repeal the SGR in 2015 it could be nearly $500 billion.

The NMA supports a permanent repeal of the flawed SGR formula. Cuts required by the SGR formula reduce access to care for elderly and disabled patients and the current Medicare payment rates are below the cost of providing patient care. The NMA is closely monitoring the SGR debate, and we will keep the membership informed on developments. Meanwhile, we strongly urge you to call your Member of Congress and insist that the SGR formula be repealed. Click here for contact information for your Member of Congress.
Regional Variations in Medicare Spending and Diagnostic Practices

According to a new study by Dartmouth researchers, Medicare beneficiaries in certain regions receive many more diagnostic tests and new diagnosis than beneficiaries in other regions. The study titled, “Regional Variations in Diagnostic Practices,” appears in the latest issue of New England Journal of Medicine. The striking regional variations raise significant questions about whether more diagnoses equals better care. Read the full text of this article.

Previous studies investigating regional differences in the amount Medicare program spends per beneficiary show that:

- Medicare reimbursements varied more than threefold in 2007, from about $5,200 per enrollee in the lowest spending region to over $17,000 in the highest spending region.
- The volume of services delivered is a significant driver of regional payment variations.

Regional variation in Medicare spending per beneficiary.

View the interactive map.

Source: Dartmouth Atlas Project at the Dartmouth Institute for Health Policy & Clinical Practice.
A growing number of thought leaders in our nation have reached a consensus that the current health care system, which is based on volume, is rewarding a delivery system that encourages overuse and fragmentation. Policy makers are taking a closer look at accountable care organizations (ACOs) as a better way to deliver well-coordinated care. ACOs consist of providers who work together and are accountable for achieving measured quality improvements and reductions in the rate of spending growth.

A recent study published in the journal *Health Affairs* addresses implementation issues that will affect the success of ACOs in the recently enacted national health reform legislation. The investigators propose a national strategy to identify and expand successful approaches to ACO implementation including:

- Developing educational and technical support programs to assist providers in quality improvement activities;
- Coordinating pilot-testing, implementation, and consistent performance measures and evaluation approaches;
- Providing technical assistance to providers and payers to reach consensus on ACO features.
A new report released this week by the Department of Health and Human Services and the Department of Justice outlines anti-fraud efforts for fiscal year 2009, which recovered $2.51 billion for the Medicare Trust Fund and over $441 million in federal Medicaid money for the Treasury.

- Read the annual Health Care Fraud and Abuse Control Program (HCFAC) Report.

- Read a summary of the report.
What You Can Do

• Contact your Members of Congress and urge them to stop the 21 percent cut in Medicare physician payments on June 1st. Postponing the problem with a temporary 5-year patch will only lead to a larger SGR debt by and steeper cuts to reimbursement rates down the line. Share with them stories about how cuts will impact your patients access to care. Find contact information for your Member of Congress here.

• Register to attend the 2010 National Medical Association Annual Convention & Scientific Assembly in Orlando, Florida, July 31 – August 4, 2010. Make plans to arrive in Orlando by the morning of July 31st for in order to attend this year’s Mazique Symposium.

• Interested in participating in NMA Haiti Relief Efforts? Take our Haiti survey.

For the latest health policy news and information visit our page NMA Health Policy Updates

Continue to visit our Haiti Earthquake Relief page for information on relief efforts.
Resources


