

# CMS Proposes Payment Increases (!) for Family Physicians and Other Primary Care Practitioners



On July 6, the Centers for Medicare and Medicaid Services (CMS) issued a proposed rule that would increase payments to family physicians by approximately 7 percent and other practitioners providing primary care services between 3 and 5 percent. The increase in payment to family practitioners is part of the proposed rule that would update payment policies and rates under the Medicare Physician Fee Schedule (MPFS) for calendar year (CY) 2013. Under the MPFS, Medicare pays more than 1 million physicians and nonphysician practitioners that provide vital health services to Medicare beneficiaries.

## Primary Care Providers to Get Additional Pay for Care 30 Days After Discharge

The 7 percent increase for family physicians comes from a proposal that continues the Administration's policies to promote high quality, patient-centered care. **For CY2013, CMS is proposing for the first time to explicitly pay for the care required to help a patient transition back to the community following a discharge from a hospital or nursing facility.** The proposals calls for CMS to make a separate payment to a patient's community physician or practitioner to coordinate the patient's care in the 30 days following a hospital or

skilled nursing facility stay. The proposed rule also asks for public comment on how Medicare can better recognize the range of services community physicians and practitioners provide as part of treating patients either through face-to-face services in the office or coordinating care outside the office when the patient does not see the physician.

## **Will the SGR Formula Be Forced Aside in 2013?**

As has been the case every year since CY2002, CMS projects a significant reduction in MPFS payment rates under the Sustainable Growth Rate (SGR) methodology due to the expiration of the adjustment made for CY2012 in the statute. For CY2013, CMS projects a reduction of 27 percent and is required by law to include this reduction in these calculations. However, Congress has acted to avert the cuts every year since 2003. The Administration is committed to fixing the SGR formula in a fiscally responsible way.

## **The Value Modifier**

The proposed rule would also continue the careful implementation of the physician value-based payment modifier (Value Modifier) that was included in the Affordable Care Act by providing choices to physicians regarding how to participate. The Value Modifier adjusts payments to individual physicians or groups of physicians based on the quality of care furnished to Medicare beneficiaries compared to costs. The law allows CMS to phase in the Value Modifier over three years from CY2015 to CY2017. For the CY2015 physician payment rates, the proposed rule would apply the Value Modifier to all groups of physician with 25 or more eligible professionals.

The proposed rule also provides an option for these groups to choose how the Value Modifier would be calculated based on whether they participate in the Physician Quality Reporting System (PQRS). **For groups of 25 or more that do not participate in the PQRS, CMS is proposing to set their Value Modifier at a 1.0 percent payment reduction.** For groups that wish to have their payment adjusted according to their performance on the value modifier, the rule proposes a system whereby groups with higher quality and lower costs would be paid more, and groups with lower quality and higher costs would be paid less. The performance period for the CY2015 Value Modifier was established as CY2013 in the MPFS Final Rule for CY2012.

## **Choose Your Program – PQRS, eRx or EHR**

The proposed rule continues efforts by CMS to align quality reporting across programs to reduce burden and complexity. The proposed rule proposes changes to two quality reporting programs that are associated with the MPFS – the PQRS and the Electronic Prescribing (eRx) Incentive Program – as well as the Medicare Electronic Health Records (EHR) Incentive Pilot Program which promotes the use of health information technology. The PQRS proposal includes simplified, lower burden options for reporting and the proposed rule aligns quality reporting across the various programs in support of the National Quality Strategy. The proposed rule also addresses the next phase in a plan to enhance the Physician Compare Website to foster transparency and public reporting of certain information to give beneficiaries more information for purposes of choosing a physician.

The proposed rule also includes:

- A proposal to include additional Medicare-covered preventive services on the list of services that can be provided via an **interactive telecommunications system**;
- A proposal to implement a durable medical equipment (DME) **face-to-face requirement as a condition of payment** for certain high-cost Medicare DME items;
- A proposal to apply a **multiple procedure payment reduction (MPPR) policy to the technical component of the second and subsequent cardiovascular and ophthalmology diagnostic services** furnished by the same doctor to the same patient on the same day;
- A proposal to collect data on patient function to improve how Medicare pays for **physical and occupational therapy, and speech language pathology services**;
- A request for public comments on payment for advanced diagnostic molecular pathology services;
- A proposal to revise a regulation that only allows Medicare to pay for portable x-rays ordered by an MD or DO. The revised regulations would allow **Medicare to pay for portable x-ray services ordered by physicians and non-physician practitioners acting within the scope of their Medicare benefit and state law**;
- A proposal to clarify when Medicare will pay for **interventional pain management services provided by Certified Registered Nurse Anesthetists (CRNAs)** when permitted by State law. This proposal will foster access to pain management services in areas where states have determined that CRNAs may provide these services.

The proposed rule will appear in the July 30, 2012 Federal Register. CMS will accept comments on the proposed rule until September 4, 2012, and will respond to them in a final rule with comment period to be issued by November 1, 2012.

*For more information:*

§ Proposed Rule

§ Fact Sheet