

# Cut in Medicare Physician Pay Delayed Until April 1

BY ALICIA AULT

On March 2, one day after a 21% reduction in Medicare physician pay went into effect, Congress passed—and President Obama signed—a measure that would delay implementation of the cut until April 1.

The Temporary Extension Act of 2010 (H.R. 4691) extends the zero percent update in the Medicare sustainable growth rate (SGR) formula through March 31. That zero percent increase went into effect Jan. 1, but expired March 1.

Just before the expiration date, the Centers for Medicare and Medicaid Services (CMS) instructed its contractors to hold all of the claims submitted from March 1 through at least March 12. This was because the agency anticipated a temporary extension to be approved by Congress.

After the extension, the CMS said that all claims were being immediately released for payment.

With the debate on health care reform ongoing, the fate of the SGR has been largely an afterthought on Capitol Hill.

The House passed a permanent repeal of the formula as part of its health reform package. The Senate, however, included only a temporary fix in the proposal it passed in late December. As part of February legislation to raise the na-

tional debt limit, the Senate made a fiscal promise to delay the SGR-mandated cuts for 7 months.

But the solution that passed political muster was the 1-month extension that was included in a package that also extended unemployment benefits.

In a statement issued shortly after the temporary fix was approved, Dr. J. James Rohack, president of the American Medical Association (AMA), directed his ire at the Senate.

“The Senate should use this time to permanently repeal the flawed Medicare physician payment formula that puts access to care for seniors and military families at risk,” Dr. Rohack said in the statement. “Physicians are outraged by the Senate’s failure to act before the March 1 deadline, as their patients and practices are hurt by the continued instability in the Medicare system.”

The AMA, along with other physician organizations, is urging Congress to find a permanent fix to the SGR.

In a speech at the AMA’s annual advocacy conference in Washington on March 3, Rep. Michael Burgess (R-Tex.), who is also a physician, said it appeared Congress did not grasp the “pernicious” effect temporary rate extensions had on physician practices.

He has introduced his own solution to permanently replace the SGR. ■

## HHS Lays Out Plan to Test And Certify EHRs by 2011

BY MARY ELLEN SCHNEIDER

The federal government has put forward its plan to test and certify electronic health records in preparation for the Medicare and Medicaid incentive program that will reward physicians for their use of health information technology.

The proposed rule, which was released on March 2, establishes a temporary certification program in which the National Coordinator for Health Information Technology, Dr. David Blumenthal, will designate certain organizations to test and certify complete electronic health records (EHRs) and related modules.

Under the temporary program, Dr. Blumenthal’s office would take on many of the functions, such as accreditation, that will later be performed by private groups. The idea behind the temporary program is to ensure that certified EHR products are available before the first incentives for use of certified systems begin in 2011.

The rule also proposes the creation of a permanent certification program that would eventually replace the temporary one. The permanent program would be more sophisticated, dividing

the responsibility for testing and certification among different organizations. The permanent program also would include accreditation processes and set forth the requirement that certification bodies perform surveillance of certified EHR products. Certification bodies also may be able to assess additional health information technology products beyond EHRs and their modules. Both certification programs, however, would be voluntary.

Dr. Blumenthal called publication of the proposed rule an “important first step” to bringing structure to the evaluation of EHRs and EHR modules. “The programs will help support end users of certified products, and ultimately serve the interests of each patient by ensuring that their information is securely managed and available where and when it is needed,” he said in a statement.

Earlier this year, the federal government issued a proposed rule outlining the criteria for meaningful use of EHRs and an interim final rule that included an initial set of standards and specifications for certification of products.

Two separate regulations finalizing the temporary and permanent certification programs are expected to be published by the fall. ■



## POLICY & PRACTICE

WANT MORE HEALTH REFORM NEWS?  
SUBSCRIBE TO OUR PODCAST — SEARCH  
‘POLICY & PRACTICE’ IN THE iTunes STORE

### HHS Extends Medicaid Relief

The Department of Health and Human Services is giving states a \$4.3-billion break on prescription drugs for people who qualify for both Medicare and Medicaid. That’s how much less the federal government will charge states through this year for Medicare coverage of drugs for “dual eligibles.” “We believe [this] action will help states as they struggle to maintain Medicaid and other budget priorities in these difficult economic times,” HHS Secretary Kathleen Sebelius said in a statement. The relief comes from last year’s American Recovery and Reinvestment Act, which granted a temporary increase in the amount states receive from the federal government for Medicaid. The new action applies the funding adjustment to the period Oct. 1, 2008, through Dec. 31, 2010. California’s estimated savings are the largest in the country, at \$675 million, while Wyoming will probably receive the least, at about \$4 million. In his proposed budget for 2011, President Obama called for again extending the funding break, through June 30, 2011.

### Healthy Food Financing Proposed

In an effort to bring better foods to communities that are known as “food deserts” because of their lack of healthy options, the Obama administration has proposed targeting \$400 million in tax credits, low-rate loans, loan guarantees, and grants. If Congress approves the Healthy Food Financing Initiative as part of the federal budget, the funds will support projects ranging from grocery store construction to smaller interventions such as placing refrigerators stocked with fresh produce in convenience stores. The Department of Agriculture estimates that 23.5 million people, including 6.5 million children, live in low-income food deserts that are more than a mile from a supermarket. These areas typically are served by fast-food restaurants and small stores that offer little or no fresh produce.

### More Quality Reporting Woes

Medical practice leaders continued to cite multiple administrative challenges with Medicare’s Physician Quality Reporting Initiative, according to a survey from the Medical Group Management Association. Specifically, the 429 medical practices surveyed said that the process for accessing PQRI feedback reports was “unnecessarily arduous” and that the reports themselves were not satisfactory. According to the MGMA, fewer than half of the medical practices that attempted to participate in the 2008 PQRI were able to access their 2008 feedback reports. For those that did get the data, it took an average of 9 hours to down-

load the report. Sixty percent of practices that got the reports said that they were dissatisfied or very dissatisfied with the presentation of the information, and two-thirds said they were dissatisfied or very dissatisfied with the report’s ability to guide them in improving patient care outcomes. The MGMA urged the Centers for Medicare and Medicaid Services to change the PQRI feedback process.

### Many Use Internet for Health Info

More than half (51%) of adults aged 18-64 years use the Internet to look up health information over the course of a year, but only a handful communicate with their providers by e-mail or another Internet route, according to a survey by the National Center for Health Statistics. About 3% of adults reported using online chat groups to learn about health topics. The survey showed women more likely than men to use the Internet to research health issues and to join chat groups. Almost 5% of adults said that they had communicated with a health provider online in the past year, while 6% requested a prescription refill online and 3% made an office appointment online. The analysis included data from 7,192 adults surveyed from January to June 2009.

### Supplements Bipartisanship

Sen. John McCain (R-Ariz.) and Sen. Byron Dorgan (D-N.D.) have introduced legislation that would give the Food and Drug Administration authority to issue mandatory recalls of unsafe dietary supplements. The bill also would force supplement manufacturers to register with the FDA and provide the agency with lists of their supplements’ ingredients. Currently, the FDA does not have the authority to review dietary supplement makers’ advertised claims of safety and effectiveness, even though surveys have shown that most users of the products believe the agency does, Sen. McCain said in a statement.

### FDA Oncology Approvals Up

The FDA’s Office of Oncology Drug Products approved 53 new indications for oncology and hematology drugs and biologics between July 2005—when the office began reviewing marketing applications—and the end of 2007, according to an agency study. During that time, the oncology-products office reviewed 60 applications and took action on 58, investigators reported (J. Natl. Cancer Inst. 2010;102:230-43). The approved applications were for 18 new drugs and 35 additional indications for already approved drugs. The office utilizes an accelerated approval process based on various end points, including indirect measurements of clinical benefit.

—Jane Anderson