SGR Cut Delayed Again, But Only Until June 1

BY ALICIA AULT

President Obama signed legislation late on April 15 giving physicians another temporary reprieve from the 21% Medicare pay cut that, for all intents and purposes, was scheduled to go into effect at midnight.

The reduction in pay has now been deferred until June 1.

The fate of Medicare's physician fees was in doubt as late as the afternoon of the 15th. The Senate spent most of the week debating a bill (H.R. 4851) that would delay the cuts mandated by the Medicare Sustainable Growth Rate (SGR) formula as well as extend unemployment benefits and federal subsidies for COBRA benefits.

The Senate finally approved the bill, with the House doing so in quick succession. The President signed it shortly thereafter.

The Congressional Budget Office estimated the cost of this brief delay in the pay cuts at $2.1 billion, the second most costly aspect of the bill after unemployment benefits extension, at almost $12 billion.

The pay cut technically went into effect on April 1, but the Centers for Medicare and Medicaid Services (CMS) held all claims submitted from that date until April 15, in anticipation that Congress would reverse the cuts retroactively. But on the afternoon of the 15th, CMS officials noted in a statement that claims with dates of service on or after April 1 would be processed at the lower rate "as soon as systems are fully tested to ensure proper claims payment."

Physician groups were not pleased and began chiding members of Congress for their lack of action.

After the cut was delayed again, Dr. J. James Rohack, president of the American Medical Association, said in a statement, "Congress must now turn toward solving this problem once and for all through repeal of the broken payment formula that will hurt seniors, military families, and the physicians who care for them."

Dr. Rohack also warned—again—that physicians are starting to limit new Medicare patients.

"It is impossible for physicians to continue to care for all seniors when Medicare payments fall so far below the cost of providing care," he said, adding, "If the formula is not repealed, the problem will continue to grow." ■

Quality Guru Nominated to Head Medicare and Medicaid

BY ALICIA AULT

The White House announced last month that it has nominated Dr. Donald Berwick to lead the Centers for Medicare and Medicaid Services.

Dr. Berwick, a pediatrician, is president and chief executive officer of the Institute for Healthcare Improvement.

In a statement, President Obama said, "Dr. Berwick has dedicated his career to improving outcomes for patients and providing better care at lower cost. That's one of the core missions facing our next CMS Administrator, and I'm confident that Don will be an outstanding leader for the agency and the millions of Americans it serves."

The American Medical Association praised Dr. Berwick's "visionary leadership efforts" in quality and patient safety in a statement given by Dr. Nancy H. Nielsen, the AMA's immediate-past president. "Upon confirmation, we look forward to working with Dr. Berwick at CMS on implementation of the new health reform law and on ensuring that physicians can continue to care for seniors who rely on Medicare."

With the passage of health reform and the continuing lack of a permanent solution for the fee cuts threatened by Medicare's sustainable growth rate (SGR) formula, Dr. Berwick will have a full plate if he is confirmed by the Senate.

The medical device industry lobby, AdvaMed, issued a statement praising Dr. Berwick's "compelling vision," but reminded him also of what he will be taking on. "There is perhaps no more important job in health care," said Stephen J. Ubl, president and CEO of AdvaMed. "The decisions made by Dr. Berwick will affect the lives of America's seniors and every health care provider, and CMS will play a pivotal role in implementing the comprehensive health reform program recently enacted by Congress."

Dr. Berwick said in a statement that he felt "flattered and humbled" at his nomination. He added, "If confirmed by the U.S. Senate, I would welcome the opportunity to lead CMS because it offers the chance to help extend the effort to improve America's health care system—the very vision that led to the founding of the Institute for Healthcare Improvement."

Dr. Berwick is a member of the adjunct staff in the department of medicine at Children's Hospital, Boston, and is a consultant in pediatrics at Massachusetts General Hospital. He is an elected member of the Institute of Medicine, and previously chaired the National Advisory Council for the federal Agency for Healthcare Research and Quality. He also served on President Clinton's Advisory Commission on Consumer Protection and Quality in the Healthcare Industry in 1997 and 1998. ■

POLICY & PRACTICE

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Stricter EPA Water Standards

The Environmental Protection Agency is developing broader and stronger standards for contaminants in drinking water. First, the agency will seek to address contaminants as groups, rather than individually, for the sake of efficiency, said EPA Administrator Lisa Jackson in a speech. And within the next year, the agency will revise standards for the carcinogenic contaminants tetrachloroethylene and trichloroethylene, which are used in industrial processes and get into ground and surface water. Then the EPA will turn to the carcinogens acrylamide and epichlorohydrin, impurities that can be introduced into drinking water during its treatment. Ms. Jackson said the agency also will foster development of new drinking water treatment technologies to address health risks.

Report Urges Relaxed E-Rules

The federal government could better foster electronic medical record keeping if it relaxed its "meaningful use" standards, according to a market analysis firm. That standard requires physicians, hospitals, and other health professionals to meet 25 wide-ranging criteria for how they use electronic medical records in order to be eligible for Medicare and Medicaid incentive payments. The report by Kalorama Information said that the stringent requirements could limit sales of new EMR systems. The mandates "may not be effective, given the kind of real-world usage among physicians we see today," Bruce Carlson of Kalorama Information said in a statement. "Getting physicians used to these systems is the challenge to a totally paperless health care system in the United States, and we think gradual, achievable goals would be preferable."

Academic Pay Growth Slows

Annual compensation for primary care and specialty physicians in academic settings slowed between 2008 and 2009, increasing less than 3% last year for both primary care physicians and specialists whose roles include teaching, research, and administration, according to the Medical Group Management Association. Primary care physicians in academic practice reported 2009 compensation of $158,218, while specialty care physicians had earnings of $238,587, the report said. Other differences emerged across specialties: Internists in academic practice saw their compensation rise more than 4% between 2008 and 2009; family practitioners' incomes rose less than 0.5%. Geographic location and productivity contributed to changes in compensation. Income for physicians in academic practice continues to trail earnings of physicians in private practices, the report said.

Doctors, Hospitals Clash on Faith

Nearly 1 in 10 primary care physicians in the United States has experienced a conflict over patient care policies with a hospital or practice affiliated with a religion, researchers from the University of Chicago reported online in the Journal of General Internal Medicine. Such entities hold about one-fifth of all U.S. hospital beds, according to the report. About 43% of primary care physicians have practiced in religion-affiliated hospitals, and about 19% of them experienced conflicts stemming from policies that, for instance, prohibit certain reproductive and end-of-life treatments, the researchers' cross-sectional survey found. Younger and less religious physicians are more likely to experience conflicts than are older or more religious peers, the researchers reported. Most primary care physicians said that the best way to handle conflicts between clinical judgment and religious policy is to refer patients to another hospital.

'Health' Is New Biz Buzzword

"Health" is joining "green" as a business strategy, according to a worldwide survey by the public relations firm Edelman. The public expects retail, entertainment, and consumer-technology companies to be involved in ways that go well beyond the health of their employees, the firm reported. For example, survey respondents said that businesses should support the health of their local communities, create new products that maintain and improve health, and educate the public on health topics related to products and services. More than two-thirds said that businesses should help to address obesity. Nearly three-quarters said they trust a company more that is effectively engaged in health, and two-thirds said they would either recommend or buy products from such a company. But half of respondents said that business is doing a fair or poor job on health, and just over a third said they trust business to address health issues.

Hospital Sours on Sweet Drinks

In an effort to combat obesity, Fairview Hospital, a 24-bed acute care hospital in Great Barrington, Mass., said sodas and sugar-sweetened sports drinks no longer will be available on hospital grounds. Fairview, which has signed a "Healthy Food in Healthcare Pledge" developed by the advocacy group Health Care Without Harm, said it decided to eliminate sugary drinks after the state's House of Representatives voted to ban their sale in schools. According to Health Care Without Harm, many hospitals make money by negotiating agreements with beverage companies to limit sales to single brands of soft drinks.

—Jane Anderson