

The Children's Health and Medicare Protection Act of 2007

Approved by the House of Representatives August 1, 2007

ACC Summary of Key Provisions

Title III – Physicians' Service Payment Reforms

Sec. 301 Establishment of Separate Target Growth Rates for Service Categories

Replaces the 9.9 percent payment cut in 2008 and estimated 5 percent cut in 2009 with a .5 percent update in 2008 and 2009. Repeals the sustainable growth rate SGR formula for 2008 and replaces it with six separate expenditure targets. The targets are:

1. Primary care and preventive services (*New and established patient office visits provided by physicians who the Secretary determines provide accessible, continuous, and comprehensive care for Medicare beneficiaries, emergency department visits, and home visits*)
2. Other E & M services
3. Imaging
4. Major procedures (*Procedures subject to 10 and 90 day global periods*)
5. Minor procedures and other services
6. Anesthesia

Starting in 2010, any area that exceeds its target will be cut. In a change from current law, which limits the cut to the conversion factor to no more than 7 percent less than the Medicare Economic Index (MEI) in a single year, the update for each service category could fall as low as 14 percent below the MEI in 2010 and 2011. Future fee schedule updates would take into consideration the prior "overhang" of accumulated excess expenditures under the SGR system.

Sec. 302 Improving Accuracy of Relative Values under the Medicare Physician Fee Schedule

Establishes an expert panel to review recommendations from the AMA's Relative Value Scale Update Committee (RUC) and determine "misvalued" services, particularly those that are overvalued. Gives the Secretary the authority, without going through the RUC, to reduce the work component for services with excess volume growth (cited as 10 percent or more) starting on January 1, 2009.

Sec. 303 Physician Feedback Mechanism on Practice Patterns

Requires the Secretary to implement a system of confidential feedback to physicians in the Medicare program on how their practice patterns compare to other physicians both in the same locality as well as nationally by no later than July 1, 2008.

Sec. 307 Repeal of the Physician Assistance and Quality Initiative Fund

Does not include incentive funding for physicians who participate in the Physicians Quality Reporting Initiative (PQRI). The program can continue on a voluntary basis through administrative authority.

Sec. 309 Payment for Imaging Services

Accreditation

Establishes an accreditation process beginning in 2010 for facilities that provide diagnostic imaging services and requires that a facility be accredited in order to receive reimbursement for imaging services from Medicare. If the imaging equipment meets certification standards, the facility does not have to be accredited. This accreditation process is modeled off of the Mammography Quality Standards Act (MQSA).

Equipment Utilization Rate

Requires CMS to increase their assumption on the amount of time imaging equipment is in use from 50 percent to 75 percent for purposes of determining practice expense RVUs. A higher utilization rate will lead to lower estimates of the cost of using imaging equipment and, thus, will result in lower payments.

Contiguous Body Parts

Requires a 50 percent reduction in the technical component payment for imaging services involving contiguous body parts. It would apply to same day services within the same family of services designated by CMS. There are 11 families currently designated.

Interest Rate

Requires CMS to assume that the interest rate for capital purchases reflects the prevailing rate in the market, but in no case higher than 11 percent. Currently the interest rate is 11 percent.

Global Billing

Disallows global billing for imaging services.

Sec. 310. Reducing the Frequency of Meetings of the Practicing Physicians Advisory Council

Reduces the number of meetings of the Practicing Physicians Advisory Council (PPAC) from quarterly to annually.

Title VI – Other Provisions Relating to Medicare Part B

Sec. 621 2-Year Extension of Floor on Medicare Work Geographic Adjustment

The floor on the Medicare geographic practice cost index (GPCI) for work is extended through 2010. The work GPCI will be set to 1.0 for those localities where it is less than 1.0.

Title IX- Miscellaneous

Sec. 904 Comparative Effectiveness Research

Establishes within the Agency for Healthcare Research and Quality (AHRQ) a “Center for Comparative Effectiveness Research” to conduct research on the outcomes, effectiveness, and appropriateness of health care services. Establishes an independent Comparative Effectiveness Research Commission to set priorities and ensure credibility for the Center’s work, as well as a Comparative Effectiveness Research Trust Fund—the latter to be initially funded through the Medicare trust fund—to support the work of the Center and the Commission.

Sec. 905. Implementation of Health Information Technology (IT) under Medicare

Requires CMS to send to Congress by January 1, 2010 a plan to implement a health information technology system for Medicare and an analysis of the cost, feasibility and impact of HIT use in medically underserved communities.

Sec. 906. Development, Reporting, and Use of Health Care Measures

The Secretary will designate an arrangement with a single entity, such as the National Quality Forum (NQF), that will promote the development of measures and provide the Secretary with advice and recommendations on key elements and priorities of a national system for establishing performance measures.