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REIMBURSEMENT

Ways and Means to Review Medicare Physician Payment

The House Ways and Means Committee will hold a [Feb. 10 hearing](#) on Medicare payments to physicians. The ACC expects the Medicare Payment Advisory Commission to report on its draft recommendations for physician payment reform, including linking physician reimbursement with performance and controlling the use of diagnostic imaging services. [The Alliance of Specialty Medicine](#), of which the ACC is a member, will testify at Thursday's hearing on the sustainable growth rate formula and pay-for-performance initiatives.

HHS Secretary Considers Reimbursement Formula Fix

In response to questions posed during his Senate confirmation, Health and Human Services Secretary Michael Leavitt indicated his willingness to explore administrative changes to the current Medicare physician reimbursement formula. In order to stave off pending cuts to physician reimbursement, Leavitt is reviewing a \$119 billion proposal prepared by actuaries at the Centers for Medicare and Medicaid Services (CMS).

The CMS proposal calls for a 3.7 percent payment increase in 2006, followed by nine years of modest updates ranging from a 2 percent increase to a 0.5 percent cut. Although open to revising the sustainable growth rate formula, Leavitt stopped short of supporting the removal of physician-administered drugs from the formula.

MEDICAL LIABILITY REFORM

House Introduces Liability Reform Bill

Last week, Rep. Christopher Cox, R-Calif., re-introduced the Help Efficient, Low-cost, Timely Healthcare ([HEALTH](#)) Act aimed at reducing medical liability insurance rates. The bill, which is identical to legislation passed by the House last year, caps non-economic damages at \$250,000 and maximizes patient recovery of legitimate claims. More than 125 legislators have signed on as co-sponsors of this year's HEALTH Act and a medical liability hearing by the House Energy and Commerce Committee is tentatively scheduled for Feb. 10.

QUALITY IMPROVEMENT

Medicare Demo Links Reimbursement With Quality

Announcing a new Medicare pay-for-performance demonstration project, CMS Administrator Mark McClellan, M.D. said, "It is time that we pay for the quality of the health care provided to our beneficiaries, not simply the

amount.” As part of the demonstration, ten physician groups will submit patient outcome data to Medicare. Groups that show cost-effective, high-quality management of chronic conditions, such as congestive heart failure, coronary artery disease and hypertension, will receive financial payments above the traditional fee-for-service reimbursement. [Click here](#) to learn more about the Physician Group Practice project.

Free Teleconference on HIPAA Security Rule

CMS is sponsoring [two free teleconferences](#) on Feb. 9 and 23 to review the HIPAA security rule. These events will help providers comply with federal regulations governing collection, storage and transmission of patients’ protected health information. Providers must be compliant with the [HIPAA security rule](#) by April 20, 2005.

LEGISLATIVE/REGULATORY

Bush Outlines Domestic Agenda

President Bush outlined a broad domestic agenda during his State of the Union address on Feb. 2. In addition to his plan for sweeping Social Security reforms, Bush also expressed his intent to address skyrocketing medical liability insurance rates and promote implementation of electronic medical records. [Click here](#) to read a transcript of the address.

In concert with his State of the Union address, Bush is scheduled to release his fiscal year 2006 executive budget proposal today. Bush has expressed his intent to keep a tight reign on domestic spending to accommodate increases in homeland security and military expenditures.

NIH Tightens Consulting Rules

The National Institutes of Health (NIH) recently [announced](#) strict regulations on outside consulting work or business partnerships. Earlier this year, the research agency prohibited senior staff from engaging in outside work with companies or organizations that could benefit from such an arrangement. Last week’s announcement extended this policy to all NIH employees and expanded the scope of limitations to include stock purchases and award presentations.

In related news, the NIH is instituting [a new policy](#) to improve public access to NIH-sponsored research. The policy requires scientists to release articles to the public within 12 months of final publication. Articles will be available to the public through a Web-based archive managed by the National Library of Medicine.

Don’t Miss Practice Management Session at ACC ‘05

Learn the essential elements of running a productive and cost-efficient cardiology practice at this year’s ACC ‘05 Spotlight Session, “Implementing Best Practices of Cardiology Groups.” Sponsored by the Medical Group Management Association (MGMA), this program will help attendees identify ways to improve their practice workflow and build more resourceful and profitable businesses. Throughout ACC ‘05, MGMA consultants will be on-hand at booth #2376 to provide free mini-consultations. The program is scheduled for Sunday, March 6, and interested members can use ACC’s Program Planner at http://www.acc.org/2005ann_meeting/home/home.htm to learn more about this exciting session.

Questions? Comments? Send your feedback to epubs@acc.org and include the name of the publication in the subject line.
