TAKE ACTION: Payment Reform is Within Reach - We Need You to Email Congress Today

Send a letter to your Members of Congress today asking them to vote YES on the "SGR Repeal and Medicare Provider Payment Modernization Act." Patients and their physicians need a Medicare system on which they can rely. We need your help today!

You've heard from us many times before on this issue, but your continued engagement with Congress in the coming weeks will help to ensure an end to the constant physician payment struggle once and for all.

Congressional Committees Agree on Physician Payment Reform

On February 6, the House Energy and Commerce, House Ways and Means and Senate Finance Committees jointly introduced the "SGR Repeal and Medicare Provider Payment Modernization Act" (HR. 4015/S. 2000). This legislation, which permanently reforms the physician payment system, builds upon and combines into one bill the similar proposals passed by each of the committees in 2013. Once enacted into law, the legislation will replace the formula used to determine Medicare payment rates for physicians with a system that values high-quality patient care. The AOA has announced its support of the new legislation.

The agreement includes:

* Permanent repeal of the sustainable growth rate formula (SGR) which is currently used to calculate physician payment levels in Medicare
* Provides a 5-year period of stability with positive 0.5 percent updates each year
* Transitions from the current fee-for-service model to one that promotes quality over volume
* Combines current quality incentive programs into a streamlined and improved program that rewards physicians with bonus payments who meet performance thresholds
* Incentivizes movement to alternative payment models and the Patient-Centered Medical Home (PCMH) by providing a 5 percent bonus payment each year for 5 years

The House and Senate must next advance this bill for a final vote by each chamber in order for it to be signed into law. They have a deadline of March 31, when the current temporary physician payment "patch" that is providing 3 months of 0.5% positive payment updates expires. Physicians will then once again face a cut in payments of more than 20% without Congressional intervention.

Laura Wooster (lwooster@osteopathic.org)

Electronic Health Record Incentive Payment Deadline Extension

March 31 is now the last day Medicare eligible professionals (EPs) can register and attest to receive an incentive payment for 2013 in the Medicare EHR Incentive Program. Physicians must successfully
submit attestation by 11:59 pm Eastern Standard Time (EST) on March 31. Eligible professionals participating in the Medicaid EHR Incentive Program should check with their state with regards to deadlines for Medicaid attestation.

Angela Jeansonne (ajeansonne@osteopathic.org)

AOA Celebrates and Supports Health Services Research
The AOA is pleased to co-sponsor a new report highlighting the importance of health services research and the Agency for Healthcare Research and Quality (AHRQ). Research, datasets, and tools supported by AHRQ are used by physicians, patients and others to better understand the evidence that makes health care information more accessible, safer, more effective, and more efficient.

Susan Friedman (sfriedman@osteopathic.org)

Accountable Care Organizations Slow Spending
Thursday, the Centers for Medicare and Medicaid Services’ (CMS) released a report that showed nearly half of the tested accountable care organizations (ACOs) slowed spending. Twenty-nine of the 114 ACOs saved enough money to receive bonus payments, the agency said. The top 29 performers will receive "shared savings" of more than $126 million, and the share of savings to the Medicare trust fund is more than $128 million, CMS reported.

In addition, an independent analysis of the Pioneer ACOs, also released by CMS, found gross savings of $147 million. Nine of the 23 organizations that chose to stick with the program after 2012 showed slower growth in spending than in traditional fee-for-service while exceeding the benchmarks for quality care. A previous CMS report pegged the 2012 Pioneer ACO savings at $88 million but used a different methodology.

The shared-savings program, one test of new health care financing models under the Affordable Care Act (ACA), has expanded to more than 340 ACOs, including 123 that entered the program this month.

Charles Cascio (ccascio@osteopathic.org)

New Resource: Value-Based Payment Modifier - What it Means to Your Practice
Starting in 2015, large physician group practices will be subject to payment adjustments under Medicare's Value-Based Payment Modifier (VBM). The VBM provides payment incentives and penalties for a physician or group of physicians under the Medicare Physician Fee Schedule (PFS) based upon quality of care and cost efficiency. In 2015, the VBM will adjust Medicare payments to physicians in groups of 100 or more eligible professionals (EP) based on their 2013 performance on quality and cost measures. In 2016, the modifier will apply to physicians in groups of 10 or more EPs based on 2014 performance. In 2017, the modifier will apply to all physicians based on 2015 performance.

The AOA has developed a member resource to help physicians understand the VBM.

Carol Monaco (cmonaco@osteopathic.org)

AHRQ Webinar on Utilizing IT to Improve Care Coordination
On February 20, from 2:30 - 4:00 pm EST, the Agency for Healthcare Research and Quality (AHRQ) will host a webinar on how health information technology (IT) can impact outcomes for patients with multiple chronic conditions seen across a variety of settings.
The projects presented will discuss care coordination, medication management systems, and facilitating the availability of information during care transitions.

Charles Cascio (ccascio@osteopathic.org)

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**Hill Fact: Did You Know?**

Sen. Elizabeth Warren (D-MA) graduated high school at 16 and went on to attend George Washington University on a debate scholarship.

Sean Neal (sneal@osteopathic.org)