Cost, Transparency Benefits Seen

Health Reform *from page 1*

The AAN also supported a permanent fix to the sustainable growth rate (SGR), the formula by which physicians' Medicare payments are determined. Under the formula, Medicare payments were reduced by 21% on April 1 after Congress—which has voted to delay or postpone the cuts, but not solve them, for the past several years—recessed without addressing the issue.

"The [Centers for Medicare and Medicaid Services] will hold Medicare claims for 10 business days in hopes that Congress comes back and passes another temporary fix," Mr. Amery said.

He added that the reform legislation likely didn't include a permanent SGR fix "because the overall cost of the permanent fix is approximately $210 billion." Adding that cost to the health care bill would have put it over a trillion dollars, he said, and "it would not have been passed."

Also missing from the law is "meaningful tort reform," according to Dr. Elaine Jones, cochair of the AAN government relations committee and a neurologist in private practice in Bristol, R.I. "They are setting up funding for projects to explore options for tort reform but that is the extent of it."

Neurologists and their patients will benefit from several other aspects of the health reform package, Mr. Amery said.

For example, the new law gradually closes the Medicare Part D prescription drug "doughnut hole" by offering a $250 rebate this year to beneficiaries whose out-of-pocket drug costs push them into the gap.

Next year, drug companies will be required to provide a 50% discount on brand-name drugs in the doughnut hole, with the discount rising to 75% and being applied to brand-name and generic drugs by 2020.

"The AAN strongly supports the closing of the doughnut hole," Mr. Amery said. "It impacts neurology patients greatly, particularly [those with multiple sclerosis] whose drugs costs are very, very high. That was definitely a benefit."

The health reform laws also provide an abbreviated pathway for follow-on biologics, potentially paving the way for alternatives to these expensive therapies, Mr. Amery said.

But Steven Grossman, president of the regulatory consulting firm HPS Group, said prescribers aren't likely to see the fruits of this pathway for some time. Nevertheless, "more competition is good for patients on the treatment side, even before you consider whether and how much will be achieved on the cost side," he said.

Health reform also aims to bring transparency to relationships between pharmaceutical companies and physicians and hospitals.

Under the incorporated Physician Payments Sunshine Act, sponsored by Sen. Chuck Grassley (R-Iowa) and Sen. Herb Kohl (D-Wis.), makers of medical supplies, pharmaceuticals, biologicals, and devices must report any payments or transfers of value worth more than $100 a year that they make to physicians and hospitals, starting in 2013. Manufacturers will also have to report any and all physician ownership stakes. The Health and Human Services department will be required to make this information available to the public.

Finally, starting in 2012, manufacturers will also have to report to HHS all the drug samples they give to physicians, if the drugs are covered by Medicare or Medicaid.

Also controversial is a new cost-control board created under health reform.

The 15-member Independent Payment Advisory Board (IPAB) is charged with presenting proposals to Congress that would slow the growth of Medicare and private health care spending and improve quality of care. The board is set to begin its work in 2014, but details about how it would function remain murky.

"It's designed to limit Medicare expenditures, so that's a concern," Mr. Amery said. "However, there is certainly a disconnect between what Medicare pays for procedures and what it pays for evaluation and management, so we're hoping that with [the IPAB's] creation it will follow [Medicare Payment Advisory Commission] recommendations."

On the private health insurance side, the laws will require health plans to provide coverage for nondependent children up to age 26 years within 6 months; bar group health plans from excluding people on the basis of pre-existing conditions, starting in 2014; and create a health insurance exchange where individuals can shop for insurance that meets minimum coverage standards. It also requires individuals to obtain health coverage or face fines. ■

Mary Ellen Schneider and Alicia Ault contributed to this story.

Health Reform Implementation Timeline

2010

Seniors whose prescription drug costs push them into the Medicare Part D doughnut hole receive a $250 rebate.

No new physician-owned hospitals may be built after Dec. 31.

Indoor tanning services are taxed at 10%, beginning as early as July.

Health plans are barred from excluding children due to pre-existing conditions, beginning as early as September.

Health plans are barred from dropping members due to illness.

Health plans that provide dependent coverage for children must cover them up to 26 years of age.

2011

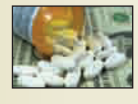
A 10% Medicare bonus payment for primary care physicians begins and runs through the end of 2015.

A 10% Medicare bonus payment for general surgeons working in shortage areas begins and runs through the end of 2015.

HHS awards 5-year grants to states to develop alternative medical liability reform initiatives.

Medicare and Medicaid programs eliminate out-of-pocket costs for proven preventive services.

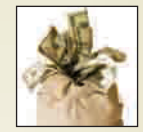
Unused specialty graduate medical education training slots can be used for primary care training.



Seniors whose prescription drug costs push them into the Medicare Part D doughnut hole receive a 50% discount on all brand-name drugs.

2012

Medicaid pilot tests bundled payments for episodes of care, including hospitalization.



Medicare provides incentives for physicians to form accountable care organizations.

Drug makers must report drug samples given to physicians if those drugs are covered by Medicare or Medicaid.

2013

Medicaid rates for primary care services are raised to at least Medicare rates, through 2014.

National pilot program tests bundled payment.

Health plans must adopt uniform standards for electronic submission of health information.

Drug and device makers must report any payments made to physicians and hospitals.

2014

Health insurance exchanges in each state open for individuals and small employers.

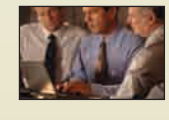
Health plans are barred from denying coverage based on pre-existing conditions.

Health plans are barred from charging higher fees based on health status or gender.

Health plans are barred from imposing annual limits on coverage.

Most individuals are required to obtain health insurance coverage or pay a fine.

Medicaid eligibility expands to individuals at 133% of poverty.



Independent Payment Advisory Board created.

ELSEVIER GLOBAL MEDICAL NEWS

Feds Lay Out Plans for Certifying and Testing 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 the use of health information technology.

The proposed rule, released in March, 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 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. It also would include accreditation processes and set forth the requirement that certification bodies perform surveillance of certified EHR products. Both programs would be voluntary. ■