

## IMPLEMENTING HEALTH REFORM

# Closing the Doughnut Hole

One of the first provisions of the Patient Protection and Affordable Care Act to take effect is the \$250 rebate for Medicare beneficiaries who fall into the Part D doughnut hole. The first rebate checks were mailed on June 10. The rebates are the first step in a multiyear effort to trim drug costs for seniors and other Medicare beneficiaries.

Next year, patient cost sharing for brand-name drugs will be cut in half, and the doughnut hole will be closed completely by 2020.

Just as checks started hitting seniors' mailboxes, the administration launched a \$1 million radio ad campaign designed to help patients protect themselves from fraud, as criminals launch scams targeted at the new benefits.

Marilyn Tavenner, acting administrator at the Centers for Medicare and Medicaid Services, answered questions about how the new benefit will be implemented.

**CLINICAL NEUROLOGY NEWS:** How many Medicare beneficiaries will fall into the doughnut hole this year? Will they all get checks this summer?



**Ms. Tavenner:** About 8 million Medicare beneficiaries are expected to reach the prescription drug coverage gap that we call the doughnut hole this year. Of those, 4 million will be eligible to get a tax-free, one-time rebate check. The remaining beneficiaries already receive assistance through Medicare Extra Help.

**The \$250 rebate is immediate relief that marks the first step in completely eliminating the doughnut hole.**

**MS. TAVENNER**

Beneficiaries who hit this coverage gap do not need to fill out any form, or make any phone call, to receive this benefit under the Affordable Care Act. The one-time \$250 rebate checks will be mailed automatically to seniors' homes from Medicare as more beneficiaries enter the doughnut hole.

**CLINICAL NEUROLOGY NEWS:** Will the \$250 rebate have a significant impact on patients' out-of-pocket drug costs this year?

**Ms. Tavenner:** The \$250 rebate is immediate relief that marks the first step in completely eliminating the doughnut hole. This year's rebate will help put money back in the pockets of seniors who are too often forced to choose between paying for their groceries or for

their medications. Next year, seniors who reach the coverage gap will get a 50% discount on brand-name drugs that will help reduce their costs.

In addition, under the new law, actual coverage gap will get smaller and smaller every year, until it completely disappears in 2020.

**CLINICAL NEUROLOGY NEWS:** Physicians in all specialties spend a lot of time helping patients find affordable medications. How will these changes decrease the burden on doctors?

**Ms. Tavenner:** Physicians are on the front lines in helping seniors obtain medications that are not only successful in treating the patient, but are also affordable. By closing the coverage gap and making care more affordable, Medicare beneficiaries will be able to get the care they need and deserve.

Starting next year, patients with Medicare can get free preventive care services like colorectal cancer screening and mammograms. Medicare also will cover an annual physical, where they can work with their physician to develop a personal prevention plan based on current health needs.

**CLINICAL NEUROLOGY NEWS:** How can physicians help their patients to take advantage of this new benefit?

**Ms. Tavenner:** Doctors can continue to help their patients by educating them about the Affordable Care Act so they can take full advantage of its new benefits. If patients have questions on their rebate checks, they can call 1-800-Medicare or visit [www.medicare.gov](http://www.medicare.gov). And to receive updates on the health reform law as it is implemented, they can visit [www.healthreform.gov](http://www.healthreform.gov).

One important note: Along with the additional benefits provided by the Affordable Care Act come increased threats of fraud. That's precisely why we're working with the Department of Justice to crack down on scam artists who are trying to procure personal information from Medicare beneficiaries by promising them rebate checks and other benefits under the law.

Patients should never give their Medicare ID number to anyone promising benefits or discounts under the new law. For fraud-fighting tips, please visit [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov). ■

MARILYN TAVENNER is acting administrator for the Centers for Medicare and Medicaid Services, which administers the Part D Medicare benefit and will be responsible for implementing many elements of the new health reform law. She previously served as secretary of health and human resources for Virginia.

## Feds Issue Rule on HIT Certification, Meaningful Use

BY ALICIA AULT

The federal government published regulations in June that allow for temporary certification of electronic health records—the first step in helping physicians and other providers get the software and hardware required to be eligible for bonus payments under federal health programs.

According to the Office of the National Coordinator for Health Information Technology (ONC), the rule “establishes processes that organizations will need to follow in order to be authorized by the National Coordinator to test and certify [electronic health record] technology.”

“We hope that all [health information technology] stakeholders view this rule as the federal government's commitment to reduce uncertainty in the health IT marketplace and advance the successful implementation of EHR incentive programs,” said Dr. David Blumenthal, national coordinator for health information technology, in a statement.

Certification means that the EHR package has been tested and includes the required capabilities to meet the

“meaningful use” standards issued by ONC. Hospitals and physicians will have the assurance that the certified EHRs can help them improve the quality of care and qualify for bonus payments under Medicare or Medicaid.

The incentive payments were authorized by the Health Information Technology for Economic and Clinical Health (HITECH) Act, part of the Recovery Act.

“By purchasing certified EHR technology, hospitals and eligible professionals and hospitals will be able to make EHR purchasing decisions knowing that the technology will allow them to become meaningful users of electronic health records, qualify for the payment incentives, and begin to use EHRs in a way that will improve quality and efficiency in our health care system,” Dr. Blumenthal said.

A final rule on permanent certification of EHRs will be issued in the fall. ■

For more information about the temporary certification program and rule, please visit <http://healthit.hhs.gov/certification>.

## Agency Awards Grants for Malpractice Reform Projects

BY MARY ELLEN SCHNEIDER

The Agency for Healthcare Research and Quality has awarded \$25 million in grants to states and health systems to test various approaches to medical liability reform.

The grant awards follow through on a 2009 promise made by President Obama. In a speech to Congress last September, the president pledged to fund demonstration projects that would look at malpractice reforms that also improve patient safety.

The focus on patient safety is critical, said Dr. Carolyn Clancy, director of AHRQ, because when physicians fear being sued, they are less likely to be open about potential errors, near misses, and avoidable harms, and that's a major hurdle to improving patient safety in any organization. “If you're fearful and you're worried about being sued, that has a very chilling effect on people's willingness to step forward and say ‘we have a problem and we need to do something about it,’” Dr. Clancy said during a press briefing.

The awards, which were announced in June, include 3-year grants to states and health systems of as much as \$3 million. The \$25 million pool also includes 1-year planning grants of as much as \$300,000 and a \$2 million grant to JBA/RAND

Corp. to evaluate the various projects.

Many of the demonstration grants will focus on early disclosure of errors and early offers of compensation, Dr. Clancy said. The aim with early offers is not to short-circuit the system, she added, but to give both physicians and patients relief from a process that often drags on. Another common theme among the grants is to promote better communication among providers, patients, and families.

None of the grants will examine the concept of health courts. Although health courts have been talked about for years and praised as a possible solution by President Obama, none of the grant applicants proposed studying that concept. One project, however, will look at a judge-directed negotiation program that is currently in use in New York in combination with an early disclosure and settlement model.

The results of these tests could lay the groundwork for the additional medical malpractice studies called for under the Affordable Care Act, which authorizes an additional \$50 million over 5 years to fund more studies, Dr. Clancy said. ■

A list of the projects is available at [www.ahrq.gov/qual/liability/demogrants.htm](http://www.ahrq.gov/qual/liability/demogrants.htm) and at [www.ahrq.gov/qual/liability/planninggrants.htm](http://www.ahrq.gov/qual/liability/planninggrants.htm).