Medicare Set to Launch Pay-for-Reporting Plan

BY MARY ELLEN SCHNEIDER
New York Bureau

Starting July 1, physicians who report on selected quality measures will have a chance to earn a small bonus payment from Medicare.

The program, called the Physician Quality Reporting Initiative, was mandated by Congress and offers incentive payments to physicians who report on one to three quality measures. By doing so, physicians can earn a bonus of up to 1.5% of their total allowed Medicare charges during the 6-month reporting period.

Although even the maximum compensation isn't enough to make anyone rich, some physician organizations are advising their members to take a good look at the program because it may be the first step toward a performance-based payment system.

"By involving ourselves in the process we can have feedback," said Dr. James Stevens, a neurologist in Fort Wayne, Ind., and a member of the medical economics and management committee of the American Academy of Neurology.

Deciding whether participation makes sense is a calculation that has to be made by each practice, Dr. Stevens said. Those who give it a try will get a confidential report from the Centers for Medicare and Medicaid Services about how they are doing and have a chance to provide information on what works and what doesn't.

"This experience will likely be helpful in the future," said Brett Baker, director of regulatory affairs at the American College of Physicians, adding that although the bonus payment is not significant, having some type of financial incentive attached may be enough to get people's attention.

To get started, physicians must familiarize themselves with the program and the measures and figure out for how many patients they will be able to gather and report data, Mr. Baker said. They also should consider the technical issues involved in reporting and how feasible it will be to make those changes. "It's certainly a challenge for everyone to ramp up to do this in a short period of time," he said.

CMS officials have selected 74 quality measures that can be used by physicians across specialties. If four or more measures apply, physicians must report on at least three measures for at least 80% of cases in which the measure was reportable. If no more than three measures apply, each measure must be reported for at least 80% of the cases in which a measure was reportable.

Although payments will be provided to the holder of the tax identification number, the results will be analyzed at the physician level, the CMS said. As a result, Medicare officials are requiring that the National Provider Identifier (NPI) number be used on all claims.

The reporting period will run from July 1 through Dec. 31, 2007, and all claims must reach the National Claims History File by Feb. 29, 2008.

Any Medicare-enrolled eligible professional can participate in the program, regardless of whether they have signed a participation agreement with Medicare to accept assignment on all claims. In addition, physicians are not required to register to participate in the Physician Quality Reporting Initiative.

Medicare will use a claims-based reporting system for the program and will require practices to enter either CPT Category II codes or temporary G-codes where CPT-II codes are not available. The codes can be reported on either paper-based CMS 1500 forms or electronic 837-P claims. The quality codes should be reported with a $0.00 charge.

The bonus payments earned will be made in a lump sum in mid-2008, CMS officials said. Physicians can earn up to a 1.5% bonus, subject to a cap. The cap is structured to ensure that physicians who do more reporting will receive higher payments.

In addition to the bonus payment, physicians who participate will receive a confidential feedback report from the CMS sometime in 2008. Those reports are expected to include reporting and performance rates. However, the quality data reported in 2007 will not be publicly reported.

For 2008, the CMS is required under statute to propose the new measures in August 2007 and finalize them by Nov. 15, 2007. Because the CMS has selected measures that have been vetted by physician organizations and reflect current medical practice, most physicians should not have a problem with that aspect of the program, said Dr. Janet Wright, a cardiologist in Chico, Calif., and chair of the performance assessment task force of the American College of Cardiology.

The hurdle will be in changing the workflow in the office, she said. For some, the bonus payment will not be enough to offset the cost of making these administrative changes. However, the ACC is developing a special coding form that can be attached to the visit encounter form in an effort to streamline the process. In addition, participation in the program will help provide the CMS with information on the real-life experiences of cardiologists, Dr. Wright said. ■

More information on the Physician Quality Reporting Initiative is available online at www.cms.hhs.gov/PQRI.

TALK BACK

What are your plans regarding participation in Medicare's Physician Quality Reporting Initiative?

Share your thoughts!
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POLICY & PRACTICE

Pfizer Beats Lipitor Challenges

The U.S. Supreme Court has declined to take action on Ranbaxy Laboratories Ltd.'s appeal of a lower court ruling that upheld Pfizer's patent for Lipitor (atorvastatin). The U.S. District Court for the District of Delaware ruled in late 2005 that Lipitor's two patents—due to expire in 2010 and 2011—were valid, and that Ranbaxy's marketing a generic before 2011, as planned, would constitute infringement. Ranbaxy's appeal of the ruling was declined by the Supreme Court in early April. As a result, Lipitor—the world's top-selling drug, with sales of about $13 billion in 2006—is protected from generic competition until 2011. Pfizer also recently sued Ranbaxy, India's largest drug company, to block its efforts to sell a generic version of Caduet (amlodipine/atorvastatin). Finally, Pfizer has won an injunction against sales of Ranbaxy's generic Lipitor in Denmark.

FDA Posts Postapproval Study Data

All postmarketing studies of medical devices ordered by the Food and Drug Administration since January 2005 are now listed on an FDA Web site, the agency reported. The site gives the manufacturer's name and the name of the product being studied, and includes a short description of the trial. It also shows whether a company is submitting required updates to the FDA, but it does not reveal any data, such as interim findings. "Electronic access will give the public an opportunity to see progress being made on a company's postmarket commitments," said Dr. Daniel Schultz, director of the agency's Center for Devices and Radiological Health, in a statement. The data site is www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfPMA/pma_pas.cfm.

Skirting Self-Referral on Imaging

A study published online in the journal Health Affairs said that many physicians are finding ways to skirt a Medicare law—known as Stark II—that prohibits most referrals to facilities in which they have an ownership interest. Using data from a large California-based insurer, Jean Mitchell, a professor of public policy at Georgetown University, found that 33% of providers who billed for magnetic resonance imaging (MRI), 22% who billed for computed tomography (CT), and 17% of those who billed for positron emission tomography (PET) were technically self-referring. A majority—61% of MRI billers and 64% of CT billers—did not own the equipment but had lease or payment-per-scan arrangements that would violate federal and state antikickback statutes, said Ms. Mitchell.

ACC Update on Stents for Patients

The American College of Cardiology has published a one-page patient information update on stents. The page notes that only a patient and a physician can decide if a stent is necessary and appropriate for that particular patient. It goes on to outline several points patients should keep in mind, including that stents do not cure coronary artery disease, that all stents reduce symptoms of heart disease, that coated stents are more effective in preventing recurrent blockage, and that it is important to follow a cardiologist's recommendations on taking anticlotting agents such as aspirin, clopidogrel, and ticlopidine. The update can be found on ACC's Web site, www.acc.org.

Angiomax Patent Relief?

The Medicines Co. is seeking congressional intervention again to extend the patent on its anticoagulant Angiomax (bivalirudin), due to expire in 2010. The company missed the deadline for filing a 5-year extension application by 1 day in 2000, and has been seeking to have it rectified since, primarily through the U.S. Patent Office. However, last month, Rep. Duncan Delahunt (D-Mass.) reintroduced a bill to allow the Patent Office to accept unintentionally late filings.

CMS Softens NPI Stance

Physicians and other health care providers who fail to comply with the May 23 deadline to acquire and start using National Provider Identifiers will not be penalized if they can show they deployed a "contingency plan," the Centers for Medicare and Medicaid Services announced. "Covered entities that have been making a good faith effort to comply with the NPI provisions may, for up to 12 months, implement contingency plans that could include accepting legacy provider numbers on HIPAA transactions in order to maintain operations and cash flows," said CMS Acting Administrator Leslie Norwalk in a statement. The agency decided to create this grace period "after it became apparent that many covered entities would not be able to fully comply with the NPI standard" by the original deadline, Ms. Norwalk said. The new compliance guideline can be downloaded from the agency's Web site (http://www.cms.hhs.gov/NationalProvIdentStand); it explains what is considered a "good faith effort" to comply.

1 in 3 Physicians Now Female

A major demographic shift is underway in medicine as female physicians become more numerous, and this trend will influence the way medical groups recruit and retain physicians throughout their career cycles, according to the 2006 Retention Survey from the American Medical Group Association and Cejka Search, an executive search organization. In 2006, female physicians accounted for 35% of physicians employed in the medical groups responding to the survey, compared with 28% in the previous survey. The study revealed that factors such as "poor cultural fit" and family issues are the driving forces in physician turnover. Part-time and flexible work options also are growing in importance, the survey found.

—Alicia Ault