

# Proposed Pay Plan Gives Boost to Primary Care

BY MARY ELLEN SCHNEIDER

Increased pay for primary care physicians, decreased pay for specialists, and a potential way to get rid of the sustainable growth rate formula are addressed in the Obama Administration's proposed rule on the 2010 Medicare Physician Fee Schedule.

Physicians' organizations have sought repeal of the sustainable growth rate (SGR)—the statutory formula used to set physician payment rates under Medicare—saying that it is flawed and does not reflect the true cost of providing medical care.

One criticism is that the formula counts the price of physician-administered drugs, over which physicians have little control, as a physician service. Since the SGR is designed to cut payments when health care expenditures rise above a certain target, the inclusion of drugs has caused physicians to exceed those targets more rapidly and has contributed to pay cuts over the years.

The removal of physician-administered drugs from the SGR should reduce the number of years that physicians see pay cuts, according to the Centers for Medicare and Medicaid Services. And the American Medical Association is betting that the change will make it less expensive for Congress to repeal the SGR, which would also benefit physicians.

The removal of drugs from the SGR is one of several changes included in the

2010 Medicare Physician Fee Schedule proposed rule, published in the Federal Register on July 13. A final rule is expected in November.

Even if enacted, the proposal will not stop the 21.5% pay cut slated to go into effect on Jan. 1, 2010. However, several physicians interviewed said they were hopeful that Congress would step in again this year to roll back this cut,

whether through health reform legislation or in a separate bill.

**If the 21.5% pay cut is stopped, 2010 could be a good year for primary care.**

DR. EPPERLY

While the 21.5% cut would affect physicians across the board, the rest of the fee schedule proposal affects physicians quite

differently depending on their specialty. For example, the proposed rule includes plans to eliminate the use of consultation codes, increase payments for evaluation and management (E&M) services, and update the practice expense component of physician fees based on new survey data.

Under the proposal, the CMS would eliminate the use of all consultation codes except telehealth codes starting Jan. 1. At the same time, the agency would increase the work relative value units for new and established office visits, increase the work values for initial hospital and initial nursing facility visits, and incorporate the increased use of these visits into the practice expense and malpractice relative value unit calculations.

"We believe the rationale for a different payment for a consultation service is no longer supported because documen-

tation requirements are now similar across all E&M services," the CMS wrote in the proposed rule.

Also included in the proposed rule is an increased payment for the Welcome to Medicare physical, which focuses on primary care, health promotion, and disease prevention.

The CMS estimates that the combination of the various proposals would mean a 6%-8% payment increase for primary care physicians, excluding the impact of the 21.5% cut.

"This is very welcome news to primary care physicians and is long overdue," said Dr. Ted Epperly, president of the American Academy of Family Physicians.

If the 21.5% pay cut is stopped, 2010 could be a good year for primary care, Dr. Epperly said. In addition to the 6%-8% increase in the fee schedule pro-

posed rule, primary care physicians could gain 5%-10% in payments through health reform legislation pending in Congress.

These increases will be critical for primary care physicians in practice today who need money to invest in changing their practice in order to provide care under the medical home model. "It provides the fuel for transformation," Dr. Epperly said.

Conversely, subspecialists would lose out under the schedule proposal, experiencing either cuts or only small increases.

At press time, officials at the American College of Obstetricians and Gynecologists were still reviewing the 1,100-plus page rule. They plan to submit formal comments to the CMS by the end of August. ■



## INDEX OF ADVERTISERS

<b>Bayer HealthCare LLC</b>		<b>Eli Lilly and Company</b>	
Citracal	35	Evista	12-15
<b>Bayer HealthCare Pharmaceuticals Inc.</b>		<b>McNeil-PPC, Inc.</b>	
Angeliq	3-4	KY Intense	11
Mirena	17-18	<b>Novo Nordisk Inc.</b>	
Yaz	55-56	Vagifem	43-44
<b>BD Diagnostics</b>		<b>Pfizer Inc.</b>	
FocalPoint	37	Toviaz	31-34
<b>Boston Scientific Corporation</b>		<b>Procter &amp; Gamble Pharmaceuticals</b>	
HTA ProCerva	27	Actonel	22-25
<b>Comcast</b>		<b>Schering Plough HealthCare Products, Inc.</b>	
Corporate	19	MiraLax	41
<b>Duramed Pharmaceuticals, Inc.</b>		<b>Sciele Pharma, Inc.</b>	
(a subsidiary of Barr Pharmaceuticals)		Prenate DHA	9-10
ParaGard	44a-44b	<b>Stem Cell Authority</b>	
<b>GlaxoSmithKline</b>		Corporate	28-29
Corporate	7	<b>Union Swiss</b>	
<b>Hologic, Inc.</b>		Bio-Oil	49
Cervista HPV HR	39	<b>Watson Pharmaceuticals, Inc.</b>	
		Gelnique	46-48

## PRODUCTS

### Diagnostic Ultrasound System

The Accuvix V20 ultrasound system provides high-resolution 3-D and 4-D images. The system combines computed tomography and magnetic resonance imaging with 3-D ultrasound to achieve a multislice view.

An oblique view extended feature offers specific segmentation of anatomical structures within the 3-D data set. The 3D Orientation Cube is designed to assist both the new as well as the experienced 3-D imaging user in achieving right/left, anterior/posterior, and cephalic/caudal orientation. The ergonomic design includes a 17-inch LCD flat screen monitor with an articulated arm and a 10.4-inch touch screen.



Medison America Inc.  
www.medisonusa.com

### Generic Plan B

A generic version of the Plan B emergency contraceptive (0.75 mg levonorgestrel) has been approved by the Food and Drug Administration for prescription use in women aged 17 years and younger. As with the original Plan B, the generic tablets are indicated for the prevention of pregnancy after unprotected sex or contraceptive failure. The generic Plan B does not provide protection against any sexually transmitted diseases, and it does not terminate an existing pregnancy. The generic levonorgestrel will be marketed as Next Choice.

Watson Pharmaceuticals Inc.  
www.watson.com

### OTC Mobile Reference

Ob.gyns. can use an over-the-counter mobile reference tool to help women make informed decisions about OTC medications. The Epocrates OTC drug module allows doctors to use the Internet or a handheld device such as a Blackberry to identify potential drug interactions and indications for OTC medications. Examples include locating which OTC cough and cold products are safe during pregnancy and breastfeeding and identifying appropriate sugar-free cough suppressants for women with gestational diabetes.

Epocrates Inc.  
www.Epocrates.com

### New Option for Pain Relief

Nucynta (tapentadol) CII is now available in 50-mg, 75-mg, and 100-mg tablets for the treatment of moderate to severe acute pain in patients 18 years and older. Nucynta, a mu-opioid receptor agonist, was approved by the Food and Drug Administration as a schedule II drug. It is recommended that the product be taken every 4-6 hours, with a maximum 24-hour dose of 700 mg on the first day and 600 mg thereafter. The drug is contraindicated in patients with respiratory depression, severe bronchial asthma, and renal or hepatic impairment, among other conditions. It also is contraindicated in patients using monoamine oxidase inhibitors. It is not recommended for use during pregnancy, labor, or breastfeeding.

Ortho-McNeil-Janssen  
Pharmaceuticals Inc.  
www.nucynta.com