CMS Poised to Launch Pay-for-Reporting Program

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.

"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.

Officials of the Centers for Medicare and Medicaid Services have selected 74 quality measures that can be used by physicians across specialties. If 4 or more measures apply, physicians must report on at least 3 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 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.

Under the law that established the Physician Quality Reporting Initiative, the program is excluded from a formal appeals process. However, CMS officials said they plan to establish some type of informal inquiry process. In addition, they are currently developing a validation procedure for the reporting process that is likely to involve sampling.

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. Next year's measures are likely to include structural measures, such as the use of electronic health records or electronic prescribing technology.

CMS officials are also working on the possibility of allowing physicians to report using either registry-based systems or electronic records systems in 2008.

Of the 74 measures released by the CMS, 21 apply to family medicine, said Dr. Rick Kellerman, president of the American Academy of Family Physicians. In an effort to make the process more user friendly, AAFP officials are strongly urging family physicians to report on the three diabetes measures available. This will make it easier for physicians to report because they can concentrate on a single diagnosis, Dr. Kellerman said.

The AAFP is developing a data collection sheet for physicians and another for the back office staff, he said. The academy also is developing tools to help physicians calculate their potential bonus payment under the program.

"It does not look like it will be overly burdensome," Dr. Kellerman said.

Because the CMS has selected measures that have been vetted by physician organizations and reflect current medical practice, few physicians should 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.

Dr. James Stevens, a neurologist in Fort Wayne, Ind., said deciding whether participation in the program makes sense is a calculation that has to be made by each practice. Those who give it a try will get a confidential report from CMS about how they are doing and have a chance to provide information on what works and what does not.

But Dr. Stevens, a member of the medical economics and management committee of the American Academy of Neurology, sees additional benefits.

"By involving ourselves in the process, we can have feedback," he said. ■

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

Medical Schools Forecast 17% Enrollment Hike Over 5 Years

BY JANE ANDERSON
Contributing Writer

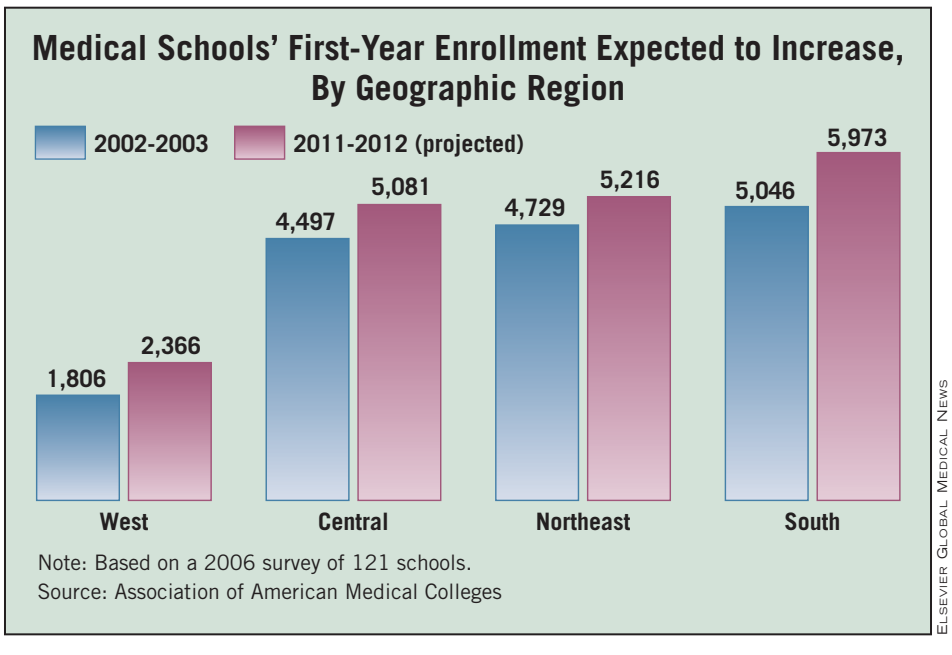
First-year enrollment in U.S. medical schools is projected to increase 17% over the next 5 years to nearly 19,300 students, helping to ameliorate the real need for new physicians, according to an annual survey of medical-school expansion plans released by the Association of American Medical Colleges.

The estimated expansion would move U.S. medical schools to the halfway point of a 30% enrollment increase recommended by the AAMC in 2006.

However, a top official at the American Academy of Family Physicians said that although adding additional medical school slots is laudable, the real emphasis needs to be placed on creating more primary care physicians.

"We certainly agree that the aging population and expansion of the nation is going to result in an expanding need for health care services," said Dr. Perry Pugno, director of the division of medical education for AAFP.

"But it's not just a need for more doctors," Dr. Pugno said. "We need more primary care physicians, especially family medicine doctors, to bring efficiency, cost-effectiveness, and better outcomes to the system."



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The survey of 121 out of 125 U.S. medical-school deans took place last fall, and the information gathered was compared with that of the baseline academic year of 2002-2003, when first-year enrollment totaled 16,488 students.

Survey results indicated that total first-year enrollment in existing U.S. medical schools is projected to increase by 2,558 students (15.5%) by 2012. Three-quarters of existing medical schools anticipate an increase, compared with 2002 enrollment levels.

However, the report notes that many of these planned increases depend upon state support or other outside funding sources. Projected enrollment for new medical schools accounts for an additional 1.5% percent of the total 17% expansion.

According to the survey, existing U.S. medical schools that are expanding will do so through a variety of mechanisms, including new clinical affiliations, expansion of existing campuses, and new regional or branch campuses.

Respondents also listed several barriers to enrollment increases, including the cost of such expansion, limited scholarship availability, tight classroom space, and too few ambulatory preceptors.

A smaller number of schools reported a lack of basic science faculty, low numbers or variety of patients, problems with regulatory or accreditation requirements, and poor quality applicants as major barriers. ■