APA Hails Medicare Bill

Parity *from page 1*

and a psychiatrist in Chicago. "We're going to be saving lives here."

The higher coinsurance was not only "stigmatizing," she said, but was a hardship for many seniors. And Dr. Stotland said it's likely that many seniors in need of mental health services didn't seek care because of the higher cost.

Mental health advocates also are celebrating provisions in the bill that relate to Medicare Part D prescription drug coverage. The legislation includes coverage starting in 2013 for benzodiazepines and barbiturates, which had been excluded previously. Dr. Stotland said that while the drugs are abused by a small number of people, they are essential to the management of many psychiatric conditions.

Further, the legislation codifies the current policy that Medicare Part D prescription drug plans must cover "all or substantially all" of the drugs in certain classes. Starting in 2010, the bill directs the Health and Human Services secretary to identify categories and classes of drugs in which restricted access to the medications would have major or life-threatening consequences and those classes and categories for which there is a medical need for individuals to have access to multiple drugs within the same class. Under current regulations, those classes include antipsychotics and antidepressants.

Physician organizations also praised Congress for providing predictable physician payments under Medicare for the next 18 months.

The American Medical Association applauded members of Congress for supporting the bill. But the AMA also is looking to Congress to provide a long-term solution before the end of the 18-month payment fix, said Dr. J. James Rohack, AMA president-elect. Since baby boomers will begin to enroll in Medicare around the same time this pay fix expires, Dr. Rohack said he is hopeful that Congress will be forced to stop moving the issue to the back burner.

Physicians also will have the chance to bring in extra income by participating in the Physician Quality Reporting Initiative (PQRI).

Physicians groups have long objected to the Sustainable Growth Rate formula used to calculate physician payments under Medicare. The formula links physician pay to the gross domestic product, and critics say it does not take into account the actual costs of medical practice.

A permanent fix should take into consideration the effort required to care for a patient, in the same way that hospitals receive higher payments for caring for sicker patients, he said. While physicians applaud the efforts of lawmakers to secure a 1.1% increase in payment for 2009, this comes as hospitals are projected to receive a 3% increase in payments from Medicare in 2009.

The legislation is a "step in the right direction," said Robert B. Doherty, senior vice president of governmental affairs and public policy at the American College of Physicians. In addition to the 1.1% Medicare pay increase for 2009, the legislation includes changes in how budget neutrality is calculated that will increase payments for primary care and cognitive services in general.

Physicians also will have the chance to bring in extra income by participating in the Physician Quality Reporting Initiative (PQRI), Medicare's voluntary program. Currently, physicians can earn up to a 1.5% bonus of their total allowed Medicare charges but under the recently passed legislation, the bonuses would be increased to 2%.

In addition to the physician pay and mental health provisions of the bill, Congress made controversial cuts to Medicare Advantage, authorized increased bonus payments under the PQRI, and delayed implementation of the Competitive Acquisition Program for durable medical equipment.

Congress finances the pay increases for physicians in part through cuts to Medicare Advantage plans. Officials at America's Health Insurance Plans, which represents the health insurance industry, estimated that the bill will cut nearly $14 billion from the Medicare Advantage plans over the next 5 years. The inclusion of these cuts in the bill initially slowed its passage in the Senate and caused President Bush to veto the legislation.

The bill also encourages physicians and other providers to use electronic prescribing by providing incentives to those who e-prescribe and imposing penalties on those who do not. The bill calls for providing a bonus of 2% to physicians who use e-prescribing in 2009 and 2010, a bonus of 1% in 2011 and 2012, and a bonus of 0.5% in 2013. Physicians who do not use e-prescribing will be paid 1% less starting in 2012 with that amount increasing to 2% by 2014.

The bill allows the HHS secretary to exempt physicians on a case-by-case basis if complying with e-prescribing would be a "significant hardship," such as a physician practicing in a rural area without sufficient Internet access.

The bill delays the first round of Medicare's new competitive acquisition program until 2009. Critics of the program, which began on July 1, have said that it makes it too difficult for vulnerable seniors to get supplies. The bill also establishes an ombudsman for the program, who would be responsible for responding to complaints and inquiries from suppliers and individuals. ■

Med Schools Oppose Industry Gifts; AMA Sits Out Debate

BY CATHY DOMBROWSKI AND DENISE PETERSON

"The Pink Sheet"

Medical schools and teaching hospitals should prohibit their physicians, faculty, residents, and students from taking gifts and services from drug companies, according to the Association of American Medical Colleges.

Industry support for continuing medical education activities also should be limited, according to a report unanimously adopted by the AAMC executive council.

The association is urging member institutions to adopt policies consistent with the report by July 1, 2009.

Many Schools Are Studying Gifts Issue

The recommendations might be particularly influential because of their timeliness—AAMC notes that many academic institutions are in the midst of developing policies on interactions with drug and device manufacturers, though some have not yet taken up the issue.

AAMC cites the medical schools at the University of Pittsburgh, the University of Pennsylvania, Stanford University, the University of California at Davis, UCLA, and Yale University as among the institutions that have implemented policies in the past few years.

The association represents 129 U.S. and 17 Canadian medical schools, about 400 teaching hospitals and health systems, and a number of scientific societies.

AAMC's strong stance against industry gifts to physicians comes as drug and device makers are signing on to federal legislation that would bring transparency to their financial interactions with doctors by requiring public disclosure of gifts.

But the "sunshine" approach might prove to be temporary. In addition to AAMC's call for a ban, the Massachusetts Senate adopted a bill in April that would ban pharmaceutical industry gifts of any value to physicians, their office staffs, or their families.

The Institute of Medicine also is assessing the effectiveness of transparency in preventing conflicts of interest arising from such interactions, with a report due in July 2009.

The medical schools report, titled "Report of the AAMC Task Force on Industry Funding of Medical Education to the AAMC Executive Council," calls on members to take the following actions:

- ► Ban acceptance of industry gifts by doctors, faculty, students, and residents, whether given on- or off-site.
- ► Either end acceptance of drug samples or manage their distribution through a centralized process.
- ► Restrict visits to individual doctors by industry representatives to nonpatient areas and by appointment only.
- ► Create a central office to receive and coordinate distribution of industry support for CME.
- ► Strongly discourage faculty participation in industry-sponsored speaking bureaus.
- ► Bar physicians, residents, and students from using presentations ghostwritten by industry members.

Lessons on the Nature of the Drug Industry

The group also notes that medical students often take their cue from faculty and medical residents, suggesting that those in a mentoring role must lead by example in industry interactions. At the same time, most medical students have "limited understanding" of such issues as the process of drug development, nature of the pharmaceutical industry, product marketing, "meaning and limitation" of FDA product approval, and physician role in adverse event reporting, the report notes. Medical curricula should include information on these topics.

The report also emphasizes that while academic institutions are not responsible for policing activities outside their facilities, faculty and students should be advised that prohibited activities are also barred off-site. For example, they should not accept meals from industry (outside of officially sanctioned CME).

The report affirms that "substantive, appropriate, and well-managed interactions between industry and academic medicine are vital to the public health," saying that industry and the medical community should work together "to develop new paradigms" for scientific information transfer.

The Accreditation Council for Continuing Medical Education is seeking comments on such a paradigm with regard to industry support for CME.

AMA Awaits Federal Legislation

The American Medical Association also has been reviewing industry funding and gifts at its annual House of Delegates meeting but declined to take a clear-cut position. Its Council on Ethical and Judicial Affairs drafted a report recommending that individual physicians and institutions of medicine not accept industry funding for education.

But during their June 14-18 session, the AMA delegates referred the report for further review at the recommendation of the group's Committee on Amendments to the Constitution and Bylaws.

The panel said testimony on the report noted a lack of clarity with regard to certified CME and uncertified promotional education, and concern for unintended consequences. The delegates also declined to get embroiled in the debate over reporting of industry gifts. Pending was a resolution for AMA to back annual reporting by drug and medical device firms of all physician payments with a value of more than $100.

An AMA committee advised delegates that testimony on the measure generally was unfavorable, with concerns raised about the logistics and how and to whom the information would be disclosed.

On the question of conflicts of interest in CME, the delegates accepted the recommendation of AMA's Council on Medical Education to monitor implementation of ACCME standards. ■

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