

## Internists respond to SFC with ideas on how to make improvements following repeal of SGR

## May 31 2013

The American College of Physicians (ACP) today <u>provided</u> 19 specific recommendations, supporting evidence and implementation details on how to improve the Medicare physician fee schedule and the fee-forservice (FFS) system overall in response to a request by the Senate Finance Committee (SFC) on May 10. ACP cited ways to provide stability for physician reimbursement and lay the necessary foundation for a performance-based payment system following the repeal of the Sustainable Growth Rate (SGR).

ACP gave seven recommendations for each of the first two questions from the SFC and another five ideas in response to the <u>Senate committee</u> 's third query. ACP's responses, all based on evidence-based policies, include specific thoughts about topics including utilization, relative values and helping physicians transition to new payment and delivery models.

On utilization, ACP's recommendations included: create an add-on to evaluation and management codes when physicians document that they have incorporated high value care clinical guidelines (such as guidelines from ACP's <u>High Value Care Initiative</u> into their practices and engaged patients in shared decision-making based on such guidelines; develop alternatives to pre-authorization that would encourage the use of appropriateness criteria by "outlier" practices; especially encourage use of such <u>appropriateness criteria</u>, and provide timely educational



feedback, to physicians in practices that own ancillary services if they have higher utilization compared to peers that do not have such an ownership interest; expand bundled payments to more services and conditions; and explore ways to provide physicians with accurate data on the quality and total cost of care provided by other clinicians and hospitals within their geographic communities to enable them to make informed referral decisions.

On relative values, ACP's recommendations included: continue the work of the RVU Update Committee (RUC) to identify potentially overvalued services; direct CMS to gather independent data to improve RVU accuracy; authorize CMS to pay physicians for the work that falls outside of a visit involved in care coordination; and redirect payments from overvalued procedures to undervalued evaluation and management services.

On the transitioning to new payment models, ACP proposed a detailed plan that would repeal the SGR, stabilize payments for five years, provide positive baseline payments to all physicians, and create a new value-based incentive update program that would provide higher updates, on graduated scale to physicians, to physicians who participate in programs to improve the quality and effectiveness of care, including Patient-Centered Medical Homes.

In the 20-page letter, Molly Cooke, MD, FACP, president of ACP, told <u>Senate Finance Committee</u> Chairman Max Baucus, and Ranking Member Orrin Hatch, "We applaud you for your leadership in addressing the flawed SGR and for your initiative in working to advance a solution with input from <u>physicians</u>, physician organizations, and other stakeholders. The College appreciates this opportunity to share its recommendations on how to improve the Medicare <u>physician fee</u> <u>schedule</u> and the FFS system overall to provide stability for physician reimbursement and lay the necessary foundation for a performance-



## based payment system following the repeal of the SGR."

## Provided by American College of Physicians

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