

**Summary of Statement for the Record**  
**American College of Physicians**  
**Hearing before the House Energy & Commerce Subcommittee on Health**  
**“SGR: Data, Measures and Models; Building a Future Medicare Physician Payment System”**  
**February 14, 2013**

**A FRAMEWORK TO REPEAL THE SGR AND PROGRESS TO BETTER MODELS**

ACP supports a two-phased approach to eliminate the SGR and transition to better payment and delivery systems that are aligned with value. During phase one, repeal the SGR formula, provide at least 5 years of stable physician payments, with positive increases for all physician services, and higher payments for primary care, preventive and care coordination services; and in phase two establish a process for practices to transition to new, more effective, models of care by a date certain. ACP is encouraged that this committee’s SGR proposal, as released jointly with the Ways & Means Committee on February 7th, is largely consistent with this approach.

**REFORMING FEE FOR SERVICE AND TRANSITIONING TO VALUE-BASED PAYMENT**

ACP supports shorter term reforms to start more physicians on the road to better payment models, and reward “early adapters” who already have taken the leadership to participate in payment programs focused on higher quality, improved patient experience, and greater value. This includes development and recognition under Medicare fee-for-service payment polices of two new sets of CPT codes for transition care following a facility-based discharge and for chronic, complex care. These code sets are designed to allow physicians to report their non-face-to-face time, and the clinical staff (team) time spent on patient cases.

Create opportunities for performance based payment updates based on successful participation in an approved transitional value-based payment program initiative that meets standards relating to the effectiveness of each program, building on successful models in the public and private sectors.

**THE ROLE OF PERFORMANCE ASSESSMENT IN A REFORMED HEALTH CARE SYSTEM**

Existing Quality Improvement (QI) programs such as Medicare PQRS, e-RX, and meaningful use programs must be better aligned with each other, with private payer initiatives, or with specialty boards’ maintenance of certification programs. While strides have been made in aligning the measures, at a high level, the technical requirements within each of the programs are different enough that dual processes must be undertaken.

Improve CMS’s ability to provide timely data to participating physicians and practices, which is critical to enable physicians to make adjustments to improve patient care.

In 2012, ACP released a paper titled, *The Role of Performance Assessment in a Reformed Health Care System*,<sup>1</sup> in which we laid out a series of policy statements focused on the evolving roles of performance assessment efforts within the realm of medical care, including programs linking payments to reporting and performance on specific quality measures.

**SPECIFIC PAYMENT AND DELIVERY REFORMS THAT CAN SERVE AS THE BASIS FOR A NEW MEDICARE PAYMENT SYSTEM**

The patient-centered medical home (PCMH) should be scaled up for broad adoption within Medicare. The PCMH model is an approach to providing comprehensive primary care in a setting that focuses on the relationships between patients, their primary care physician, and other health professionals involved in their care. Key attributes of the PCMH promote health care delivery for all patients though all stages of life. Other promising care coordination models include: medical home “neighborhoods,” Accountable Care Organizations (ACOs), and bundled payments.

**A LEGISLATIVE PATHWAY TO ACHIEVING COMPREHENSIVE PAYMENT AND DELIVERY SYSTEM REFORMS**

ACP supports bipartisan legislation, the Medicare Physician Payment Innovation Act (H.R. 574), that has been introduced in the 113<sup>th</sup> Congress that provides a reasonable pathway toward achieving a phased-in approach to repealing and reforming the SGR, permanently.

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<sup>1</sup> This paper can be accessed at: [http://www.acponline.org/advocacy/where\\_we\\_stand/policy/performance\\_assessment.pdf](http://www.acponline.org/advocacy/where_we_stand/policy/performance_assessment.pdf).