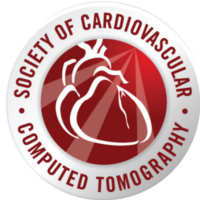

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Congress Passes Health Care Reform Legislation

Late March 21, 2010, the U.S. House of Representatives approved the Senate version of health care reform by a vote of 219 - 212. The President signed the bill into law March 23, 2010. Key provisions of the legislation include health insurance reforms, coverage for the uninsured, and prevention and wellness initiatives. Medicare physician payment reform is not addressed in this legislation.
The House of Representatives also approved, by a vote of 220 – 211, a package of changes to the Senate bill under a process called reconciliation. The Senate recently approved those changes.

Below is a summary of key provisions of the health care reform and reconciliation bills.

Medicare Physician Payment Reform
The health care reform legislation does not address long term Medicare physician payment reform and does nothing to stop the 21.2 percent cut slated to take effect April 1, 2010, as mandated under Medicare's sustainable growth rate (SGR) formula.

What this means to you: Unless Congress acts in the near future to address Medicare reimbursement, reimbursement for each service billed under the Medicare program will be cut by 21.2 percent beginning April 1, 2010.

Equipment Utilization
The health care reform law sets the equipment utilization rate assumption (the amount of time Medicare assumes imaging equipment is in use during the hours a practice is open for business) at 75 percent. While worse than the Senate bill provision of 60 percent, this is better than CMS' current assumption of 90 percent (effective January 1, 2010). This provision applies to the advanced imaging modalities of CT and MR only, and not to nuclear cardiology.

What this means to you: Equipment utilization is a component of CMS' complex practice expense formula. Basically, if the equipment utilization assumption rate is set at a higher percentage, it means less reimbursement per scan.

Health Insurance Expansion and Reforms
*Requires nearly all citizens and legal residents to obtain health insurance coverage.
*Creates state-run health insurance exchanges for individuals or families to purchase health coverage if they do not have affordable insurance through employers. Also creates small business exchanges for purchase of health insurance. Beginning in 2017, businesses with more than 100 employees could opt to participate in health insurance exchanges.
*Imposes fines on employers (with more than 50 employees) who do not offer health insurance.
*Effective 2014, prohibits denial of coverage based on pre-existing medical

conditions (exception for children – ban on denials takes effect six months from date of enactment of the legislation).
*Prohibits insurers from setting life-time limits on care and beginning in 2014, annual limits on care.
*Requires insurers to cover preventive services and immunizations without any costsharing requirements.
*Permits unmarried children to remain covered under their parents' health plans through age 26 (effective immediately upon enactment).

What this means to you: Some of these reforms do not take effect until 2014. It is unclear at this time what the interim effects may be.

Medicare Program Monitoring/Reforms
The legislation creates an Independent Payment Advisory Board (IPAC) to propose legislative policy to slow the rate of growth in Medicare spending. IPAC would not have the statutory authority to change benefits or eligibility rules, or impose cost sharing measures on beneficiaries. The first IPAC report with recommendations on reducing Medicare spending would be due to Congress by January 15, 2014. If Congress fails to act on the recommendations by August 15 of any year in which a proposal is submitted, Medicare would be required to implement the proposal as submitted to Congress by IPAC.

What this means to you: IPAC is the source of great concern among the physician community. SCCT will monitor and track developments in this area. In addition, the House of Medicine will work together to ensure that Congress fulfills its responsibilities to review IPAC proposals in a timely fashion.

Medicare Payment Model Programs
The legislation creates a new Medicare Shared Savings program, beginning in January 2012, to aim to provide better care coordination for services delivered to Medicare beneficiaries through both Part A and Part B. Participants would form Accountable Care Organizations (ACOs) and be required to meet certain criteria and quality standards in order to be eligible to receive payments.

What this means to you: The opportunity exists for certain physicians to participate in this program and receive payments.

Center for Medicare and Medicaid Innovation
The bill creates the Center for Medicare and Medicaid Innovation to evaluate innovative payment and service delivery models to reduce costs. Examples include payment through patient-centered medical homes, contracting with groups of providers for coordinated care, and promoting access to outpatient services when possible.

What this means to you: It will likely be some time before the new center's work gets underway.