



## **Internists Applaud HHS Historic Step to Move Medicare Reimbursement From Fee-for-Service to Quality**

***Attributable to:***

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(Washington, January 27, 2015) - The Department of Health and Human Services yesterday outlined an historic acceleration of its efforts to move Medicare away from traditional fee-for-service and tie provider physician reimbursements to quality. This sets ambitious but achievable goals of tying 30 percent of traditional, or fee-for-service, Medicare payments to quality or value through alternative payment models, such as Patient-Centered Medical Homes (PCMHs), Accountable Care Organizations (ACOs), or bundled payment arrangements by the end of 2016, and tying 50 percent of payments to these models by the end of 2018. HHS also set a goal of tying 85 percent of all traditional Medicare payments to quality or value by 2016 and 90 percent by 2018 through programs such as the Hospital Value Based Purchasing and the Hospital Readmissions Reduction Programs.

Yesterday's announcement is the first time HHS has set concrete goals for tying a prescribed portion of Medicare spending to alternative payment models. It marks a broader shift in the department of focusing more on care delivery and payment reform now that the coverage expansions included in the Affordable Care Act are underway.

The College strongly believes that all public and private payers should transition their payment systems to support innovative payment and delivery models linked to the value of the care provided. We particularly believe that the Patient-Centered Medical Home has been shown to improve quality and patient and physician satisfaction, reduce health care disparities, and reduce costs. The Comprehensive Primary Care Initiative, funded by the CMS Center on Innovation, can provide the basis for expanding PCMHs throughout the Medicare program, contributing to the goals announced yesterday by Secretary Burwell.

In addition, several critical steps will be required to achieve these goals:

1. Congress needs to pass legislation to repeal the Medicare SGR formula and create a clear pathway to a new merit-based incentive payment program and alternative

payment models including PCMHs and ACOs, as specified in the bipartisan, bicameral SGR Repeal and Medicare Provider Payment Modernization Act.

2. HHS should work to harmonize and prioritize the measures used in the current Medicare reporting programs—PQRS, Medicare value-modifier, meaningful use, and e-prescribing—with each other and with the measures used by private payers, to reduce the burden of reporting based on inconsistent and sometimes conflicting and inappropriate measures.
3. HHS should partner with professional medical membership societies to support and prioritize efforts to develop guidelines and measures relating to high value care, to simplify reporting, and to support physician practices as they transition to new payment and delivery models associated with value.
4. HHS should ramp up and expand the programs funded by the Center of Medicare and Medicaid Innovation, including the Comprehensive Primary Care Initiative.
5. HHS should continue to make improvements in traditional fee-for-service that will facilitate the transition to value-based models, including improving on the new Medicare payment policy for managing care of patients with chronic illnesses.
6. HHS should continue to work on improving the functionality of electronic health records, including making changes in the meaningful use program.
7. HHS and Congress should ensure that all performance measures are validated through the National Quality Forum, a "not-for-profit, nonpartisan, membership-based organization that works to catalyze improvements in healthcare." The NQF "endorses consensus standards for performance measurement; ensures that consistent, high-quality performance information is publicly available; and seeks real time feedback to ensure measures are meaningful and accurate." [Quotes excerpted from NQF website].
8. HHS and Congress should ensure that all of the programs and agency initiatives involved in achieving Secretary Burwell's goals recognize and support the critical role that primary care physicians will play in ensuring that payments are aligned with value.

The College is committed to working with HHS and Congress to support the innovations in payment and delivery policies needed to achieve the goals announced by Secretary Burwell, and by doing so, helping to improve health care and the quality of life for all Americans.

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