



Centers for Medicare and Medicaid Services Priorities for Health Care Reform

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Major Features of the Affordable Care Act

- Quality, Affordable Health Care for All Americans
- Improving the Quality and Efficiency of Health Care
- Improving Payment Accuracy and Medicare Sustainability
- Increased Focus on Preventive Services
- Strengthen Primary Care and Health Workforce
- Fraud and Abuse
- Geographic Variation in Payments

Quality, Affordable Health Care for All Americans

- Increased access to private health insurance
 - Consumer choice and insurance competition through health insurance exchanges
 - No preexisting condition denials
 - Employer market reforms
- Expanded access to Medicaid

Improving the Quality and Efficiency of Health Care

- Hospital Value-Based Purchasing
- Physician feedback program
- Quality reporting for IPPS Exempt Hospitals
- Hospital Acquired Conditions
- Hospital readmissions program
- Medicare shared savings program – Accountable Care Organizations

Improving Payment Accuracy and Medicare Sustainability

- Misvalued codes under the physician fee schedule
- Modification of the equipment utilization factor for advanced imaging equipment.
- Revisions to market basket updates for productivity

Increased Focus on Preventive Services

- Medicare coverage of annual wellness visit and personalized prevention plan
- Removal of deductibles and coinsurance for preventive services
- Evidence-based coverage of preventive services in Medicare

Strengthen Primary Care and Health Workforce

- Expanding access to primary care and general surgical services:
 - 10 percent bonus for primary care physicians providing percent primary care services
 - 10 percent bonus to general surgeons practicing in shortage areas
- Graduate Medical Education
 - Training in non-hospital sites
 - Redistributed unused residency positions with priority to primary care

Fraud and Abuse

- Increased screening for providers that enroll in Medicare, Medicaid and CHIP
- Physicians that order items required to be Medicare enrolled
- Face to face encounter for certification of home health and durable medical equipment.

Geographic Variation in Payments

- Value modifier under the Physician Fee Schedule
 - Measure quality and cost and provide bonus to high value per dollar physicians
- Geographic Practice Cost Index (GPCI)
 - Reduce weight of geographic differential for practice expense
 - Work floor of 1.0
 - Study changes to GPCI and implement by 1/1/12

Geographic Variation in Payments

- Hospital wage index
 - Report to Congress that includes a plan to reform the hospital wage index system by 12/31/2011 (similar to the Tax Reform and Health Care Act provision)
- Frontier States – Wage index of 1.0 to hospitals in States with low population density
- \$400 million over 2 years to hospitals in counties with lowest wage adjusted spending per Medicare beneficiary

Drug/Device Specific Provisions

- Payment for biosimilar products – ASP for biosimilar products + 6 percent of reference product
- Annual fee on branded prescriptions – Fee based on proportion of sales applied to fixed \$ value between \$2.8 B and \$4.1B
- Medical Device Tax – 2.3 percent of sales price.

Thank You!

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