TMA'S

Health REFORM School

Survive and Thrive in the New Health Care Landscape

Important news for physicians practing in rural settings

Eight Things Rural Physicians Need to Know About Health System Reform

Although the Affordable Care Act (ACA) to reform the nation's health care system was enacted in March 2010, the legal and political wrangling will go on for years. Texas physicians cannot allow the new law to get in the way of what medicine is all about — ***caring for patients***.

ACA is immense in size and scope, and many provisions are not yet fully understood. That is why the Texas Medical Association is continuing its massive education campaign to help Texas physicians and their practices survive and thrive in this environment. Here are eight things about the new health law that every physician practicing in a large practice needs to know.

1. More Patients Covered

An estimated 4.5 million Texans will gain health coverage through the new law, which may impact your practice. Some coverage increases began in 2010, while others don't occur until 2014. Here are the ways coverage will expand in Texas:

High-risk pool. In July 2010, a national high-risk pool began providing coverage for previously uninsured individuals with preexisting conditions. These federal high-risk pools will be phased out in 2014 as health care exchanges become available.

Consumer protections/Insurance reform. Consumer protections went into effect September 2010 for newly written policies and upon renewal of existing policies in the individual and group markets. Some of the provisions below apply to all health insurance products, including self-funded or ERISA plans, while others do not:

- Allow parents to keep their children up to age 26 on individual or group family policies;
- Eliminate lifetime dollar spending limits;
- Prohibit use of rescission for patients who get sick (except in cases of fraud);
- Restrict waiting periods to 90 days or less; and
- Prohibit exclusions based on preexisting conditions for children enrolled in group plans (for adults, the provision becomes effective in 2014 for group health plans).

Preventive health care services. Physicians may want to prepare for more patients who now have new insurance coverage for preventive services. The law requires new individual and group health plans or nongrandfathered renewed health plans to cover in-network preventive health services without any copayment or deductible, including immunizations, preventive care for women and children, and other preventive services rated "A" or "B" by the U.S. Preventive Services Task Force (USPSTF). This provision went into effect September 2010.

In January, the Centers for Medicare & Medicaid Services (CMS) removed cost sharing for some preventive services and provides for an annual personalized preventive care plan for Medicare patients.

Health care exchanges. Beginning in 2014, more than 3 million Texans will qualify for health care coverage under the new health care exchange. ACA creates state-based health insurance exchanges for individuals and some small businesses. Patients with incomes up to 400 percent of poverty, or $88,000 for a family of four by 2009 standards, will be eligible to receive federal tax subsidies to purchase certain qualified coverage in the exchange.

Medicaid expansion. The new law expands Medicaid in 2014. Children and adults, including childless adults, under the age of 65 and earning up to 133 percent of poverty will be eligible for Medicaid.

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The income limits will be about $14,404 for an individual and $29,326 for a family of four.

As a result, around 1.5 million more Texans will become newly eligible for health care coverage. As under current law, undocumented immigrants will not be covered by Medicaid except in an emergency.

2. Increased Scrutiny of the Medical Profession

Health system reform increases many burdensome regulatory efforts on top of the already existing scheme of fraud and abuse laws. For instance, the federal government is expanding its national database of physician "adverse actions." The National Practitioner Data Bank and the Health Care Integrity Data Bank are being merged, and the types of activities that must be reported are expanded. Under the new law, "any adverse action" taken against a physician by a state or fraud enforcement agency must be reported and listed. This is an expansion of the current standard. Health plans and hospitals already are required to report adverse actions of certain types. Physicians should take time to review their operations and compliance programs to ensure they are in compliance with the new laws.

3. Physician Compare Website

The health system reform law creates a Physician Compare website that will contain information on physicians enrolled in Medicare. On Jan. 1, 2011, CMS launched the Physician Compare website at www.medicare.gov/find-a-doctor/provider-search.aspx. The website has little comparative information but rather has basic information regarding a physician's specialty and enrollment status. The website is difficult to use and contains some inaccurate information. The government continues its attempt to improve it.

By 2013, the website must contain physician performance information for the public that compares clinical quality and patient experience measures to the extent that the government develops "scientifically sound" measures. Some form of patient survey likely also will obtain feedback on specific physicians for comparison purposes.

Measures to be considered include those developed under the Physician Quality Reporting System, along with measures that will assess patient health outcomes, patients' functional status, and risk-adjusted resource use.

Physicians will have an opportunity to review and correct performance ratings prior to their publication. The law does not spell out exactly what the review process will look like, nor whether physicians will be entitled to a formal review as Texas law requires of such systems.

4. Changes in Medicare Payments

Primary care physicians (those specializing in family medicine, geriatrics, internal medicine, and pediatrics) who treat Medicare patients may receive a 10-percent bonus payment. To qualify, physicians' Medicare charges for office, home health, and nursing facility visits must make up at least 60 percent of their overall Medicare charges. This bonus is in addition to existing bonuses for physicians practicing in shortage areas. It begins in 2011 and lasts through 2015. This provision also applies to nurse practitioners, clinical nurse specialists, and physician assistants.

General surgeons practicing in health professional shortage areas (HPSAs) will be eligible for a 10-percent bonus payment for major surgery services. The pay increase lasts from 2011 through 2015.

5. Increased Medicaid Payments for Primary Care Services

In 2013 and 2014, Medicaid payments for primary care services will increase to Medicare parity for primary care services provided by family physicians, general internists, and pediatricians. Primary care services are defined as evaluation and management services and vaccine administration. The federal government will pay states the full costs of paying the higher fees.

6. Penalty for Not Participating in Medicare PQRS

The Physician Quality Reporting System (PQRS), a voluntary Medicare reporting initiative, will continue. Currently, physicians participating in PQRS receive a 2-percent bonus for reporting their quality measures. Beginning in 2015, physicians will be penalized 1.5 percent if they don't participate. The penalty increases to 2 percent in 2016.

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Important Effective Dates

March 2010	Increased scrutiny of the medical profession
	Excludes from gross income loan repayments
	National Health Service Corps funding
July 2010	High-risk pool
	Medicare GME funding policy change
Sept. 2010	Consumer protections
	Insurance reforms
	Preventive services
	Creates Health Workforce Commission
Dec. 2010	RAC contracts
Jan. 2011	Physician Compare website
Jan. 2011-15	Increased Medicare payments for primary care physicians
	Surgeons in HPSAs eligible for 10-percent bonus
	New funding for teaching health centers
June 30, 2011	Action needed to avoid E-prescribing penalties in 2010
Sept. 2011	Reauthorizes GME preventive medicine and public health funding
	Area health education center awards
Jan. 2012	E-Prescribing penalties
Jan. 2013	Physician performance measures on website
Jan. 2013-14	Increased Medicaid payments for primary care services
Jan. 2013	Physician performance measures on website
Jan. 2014	Health insurance exchange
	Medicaid expansion
	Individual mandates to purchase insurance
	Employer penalties relating to health coverage

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7. E-Prescribing Bonuses/Penalties

E-prescribing Medicare bonuses will continue through 2012 (1-percent, Medicare Part B) but be reduced in 2013. However, eligible physicians who do not report successful e-prescribing on their claims and have not received an exemption will be penalized 1 percent. **To avoid the 1-percent penalty in 2012, by June 30 THIS YEAR, physicians must e-prescribe successfully and report via claims using the G-code 8553 on at least 10 Medicare encounters.** Physicians who report 25 claims using the G-code by Dec. 31 this year will be eligible for the 1-percent 2012 incentive and avoid the 1.5-percent penalty in 2013.

8. Workforce and GME Funding

These provisions were enacted by ACA but not all have been fully funded to date.

- Excludes from gross income loan repayments made by a state to physicians as a means to attract more physicians to practice in rural and underserved communities. The law applies retroactively to loans made for 2009 and forward.
- Funding for the National Health Service Corps will be increased to more than $1.15 billion by fiscal year 2015. The practice commitment term in the National Health Service Corps primary care loan repayment program also is increased to 10 years (including residency training in primary health care) or when the loan is paid in full upon enactment.
- Creates a Health Workforce Commission to study and oversee federal workforce issues. It is expected the commission will learn quickly about the need for greater federal support to expand graduate medical education (GME) slots.
- Made an important change to the Medicare GME funding policy July 2010. Now, in certain circumstances, Medicare GME money can follow the resident from the hospital setting to other patient care settings.
- Expanded existing grant opportunities for primary care training programs Sept. 2010. It also authorizes demonstration projects for training residents in new primary care competencies that focus on patient-centered medical homes or interdisciplinary graduate training in various public health fields.
- The secretary made two types of awards available for area health education centers in October, 2010: One for infrastructure development to initiate health care workforce educational programs, and the other for the maintenance and improvement of existing programs.
- Gives community health centers incentives to add primary care GME programs. New development funding (up to $500,000 per year) is available to such "teaching health centers" for three years. Additional money is available to pay for GME operational costs from 2011 to 2015 at the centers.
- Reauthorizes federal support for preventive medicine and public health GME programs, two types of programs Medicare GME funding typically does not include. This provision is effective Sept. 1, 2011.

Questions? Turn to TMA for Answers

TMA has a wealth of information posted on our website. We also have webinars, online tools, publications, and live seminars to help you learn more about the new health law. The best part is you can earn continuing medical education (CME) credits at the same time.

Our resources include:

1. Electronic Medical Record (EMR) Implementation Guide: The Link to a Better Future, Second Edition (3 hours CME)
2. PQRS program: TMA-endorsed patient registries.
3. "Evaluating Your Medicare Options" recorded webinar (1 hour CME)
4. "Physician Ethics and Enforcement of Commercial and Government Program Fraud Laws" online course (2 hours CME)
5. Health System Reform Timeline for Provisions Effective in 2011 (texmed.org/hrs)
6. "Health Reform and "Accountable" Care" live seminar (3 hours CME)

Call the TMA Knowledge Center at (800) 880-7955 for more information, or go to texmed.org/hsr for a complete list of resources available for you and your staff.

Please note: The new law is very complex and will be considerably influenced by the many regulations that must be adopted under its provisions. Further, the law may be amended over time. This document is intended as a summary only. To read the act in its entirety, go to www.texmed.org/hsr (June 2010)

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