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PRESIDENT'S COMMENT

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It is a tough and turbulent time we are experiencing as physicians because our leaders seem to be at odds with one another. Dr. James Rohack, President of the American Medical Association and Dr. Fleming, President of the Texas Medical Association seem to disagree about the new Health Care Bill and what it will bring to us as physicians. Dr. Fleming calls it "bad business" for Texas. It is during these tough times that we must stand together we must make our voices heard. I disagree with the AMA's approval of the bill. Dr. Rohack told me personally that, "we at least need to be at the table when the decisions are made or we will be on the table". I believe we need to make our position understood and need to stand firm on it. Fixing Medicare and the SGR formula is imperative for dictating the manner in which physicians will practice medicine. It is at this time that we must support the AMA and continue to be members in the organization that has our interest in mind. You don't stop playing the game when you get one bad call; you just play harder and get more involved.

TMA has started a very proactive signature campaign. The intent of the campaign is to collect 1 million signatures by May 30, 2010. We will then present these signatures to Congress in Washington DC. All 50 state medical societies along with 14 specialty societies have signed on to this campaign. You received a petition in our last El Paso Physician magazine. Please have your colleagues, your patients, your family, and friends sign this petition or you can electronically sign one at www.texmed.org. Now more than ever we need to unite for this cause. You all saw what we did with TORT reform. We can do the same for the SGR formula. Without this fix, physicians will be forced to limit the care they can provide to Medicare patients when payments fall steeply below the cost of providing care. A 21% Medicare payment cut will insure that most doctors close their panels to new Medicare patients. Just because you have insurance doesn't mean you will have access to health care. I am for health care reform but I am also in favor of running a business that can keep up with the times. Cost of living, inflation and the price of gas all seem to go up and yes my employees all want a raise but the government continues to feel the need to cut Medicare and Medicaid reimbursements.

On March 23, President Obama signed the Patient Protection and Affordable Care Act (H.R. 3590) into law. A number of key provisions in the new law may have an immediate impact on your practice and your patients, while others have a much longer time frame before they will take effect.

MEDICARE PAYMENT CHANGES
Although Congress will address the flawed sustainable growth rate formula in separate legislation later this year, H.R. 3590 includes a number of payment improvements for physicians that, combined, will result in immediate and significant Medicare payment increases for many physicians.

- **10 percent incentive payments for primary care physicians.** All physicians in family medicine, internal medicine, geriatrics and pediatrics whose Medicare charges for office, nursing facility and home visits comprise at least 60 percent of their total Medicare charges will be eligible for a 10 percent bonus payment for these services from 2011–16.
- **10 percent incentive payments for general surgeons performing major surgery in health professional shortage areas.** All general surgeons who perform major procedures (with a 10- or 90-day global service period) in a health professional shortage area will be eligible for a 10 percent bonus payment for these services from 2011–16.
- **5 percent incentive payment for mental health services.** For 2010, Medicare will increase payment for psychotherapy services by 5 percent.
- **Geographic payment differentials.** The national average "floor" on Medicare's geographic payment adjustment (commonly known as the GPCI) for physician work expired at the end of 2009. The law re-establishes that floor in 2010. In 2010 and 2011, Medicare will also reduce the GPCI adjustment for physician practice expenses in rural and low-cost areas. And, beginning in 2011, the practice expense GPCI adjustment will be brought up to the national average for "frontier" states (Montana, North Dakota, South Dakota, Utah and Wyoming). Physicians in 56 localities in 42 states, Puerto Rico and the Virgin Islands will benefit from these geographic payment adjustments.
- **Medicare quality reporting incentive payments extended.** Incentive payments of 1 percent in 2011 and 0.5 percent from 2012–2014 will continue for voluntary participation in Medicare's Physician Quality Reporting Initiative (PQRI). An additional 0.5 percent incentive payment will be made to physicians who participate in a qualified Maintenance of Certification Program (quality practice-based learning programs through specialty boards). Following the practice now in place for hospitals, beginning in 2015 physician payments will be reduced if they do not successfully participate in the PQRI program. In 2015, the penalty will be 1.5 percent; in subsequent years it will be 2.0 percent.

MEDICAID PAYMENT CHANGES
Separate legislation, the Health Care Education Affordability Reconciliation Act (H.R. 4872), still pending, would raise Medicaid payments to family medicine physicians, general internists and pediatri-

Continued on page 3

cians for evaluation and management services and immunizations to at least Medicare rates in 2013 and 2014. The legislation also provides 100 percent federal funding for the incremental costs to states of meeting this requirement.

EMPLOYER REQUIREMENT TO OFFER COVERAGE
Employers with more than 50 employees with at least one full-time employee who receives a premium tax credit are required to offer health insurance coverage to their employees or be assessed a range in fees, effective in 2014. Employers with 50 employees or less, who represent the vast majority of physician practices, are exempt from this requirement. A range of small business tax credits for employers contributing at least 50 percent of the costs of coverage for their employees will also be established, with credits phasing out as firm size and average employee wages increase.

MEDICAL LIABILITY PROTECTION AND GRANTS
The Secretary of Health and Human Services (HHS) is authorized to award five-year demonstration grants to states to develop, implement and evaluate alternative medical liability reform initiatives, such as health courts and early offer programs, beginning in 2011. Medical liability protections under the Federal Tort Claims Act will be extended to officers, governing board members, employees and contractors of free clinics.

MEDICARE DSH PAYMENTS TO HOSPITALS—$22 BILLION SAVINGS OVER 10 YEARS
As the number of uninsured Americans grows smaller, Medicare disproportionate share (DSH) payments to hospitals will be reduced. These reductions will be based on a new formula that takes into account factors such as the decreasing number of uninsured and the decreasing amount of uncompensated care hospitals will need to provide. This means that our county hospital will have fewer funds available to off set the uninsured, this might still mean higher taxes at a local level.

MEDICARE PART D COVERAGE
Medicare patients whose prescription expenses reach the so-called Medicare Part D coverage "doughnut hole" ($2,700 to $6,150) in 2010 will receive a $250 rebate. During the next 10 years, the beneficiary co-insurance rate for this coverage gap will be narrowed in phases from the current 100 percent to 25 percent in 2020.

The incentive payments for the different specialties will not equal the cuts that are scheduled to take place. Most practices survive by compensating Medicare with private payers. I hope the government will come to their senses and will realize that we are also a small business having to take care of our families and all the people we employ. I urge you to get involved at some level, whether its by giving of our time or money, it is now that we must stand together.

Thank you.

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