

Update on Physician Payment Reform

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In March 2013, the National Commission on Physician Payment Reform released its report with 12 recommendations aiming to reform how physicians are paid, link incentives to care quality, and restrain rising health care costs.^{1,2} The independent commission was established by SGIM and funded by the Robert Wood Johnson and California Healthcare foundations. Its report provided a five-year plan to move the United States from the current fee-for-service model to a blended payment system that better aligns practice and payment policy with the triple aim of improving patients' experience of care, improving population health, and reducing health care costs.³ A recent set of comments in *JGIM* highlighted the report's recommendations and advocated for their implementation.^{4,7}

SGIM joined most other physician organizations to advocate for the repeal and replacement of the flawed sustainable growth rate (SGR) law. The SGR sets aggregate spending targets for Medicare services by physicians, and each year since 2002 it has compelled CMS to threaten significant cuts in Medicare payment rates. Each time the cuts loom, Congress heeds the shouts from the physician community to avert the cuts by passing a short-term patch or "doc fix." The most recent patch was set to expire April 1, 2014, with a 24% cut looming. However, for the first time, there was bipartisan agreement in the Senate and in the House on a policy to replace the SGR. While there was broad agreement on the policy, no agree-

ment was reached on how to pay for the roughly \$120 billion, 10-year cost of permanently repealing the law. The Congressional Budget Office (CBO) scores it as a cost because it is required to compare all proposed changes to current law, which assumes the SGR cuts will take place, even though they won't. Thus, Congress passed its 17th patch (0.5% increase through 2014) until March 31, 2015.

In the wake of this near-miss opportunity to transform physician payment policy to one that promotes value over volume, SGIM is reissuing the commission report and pressing Congress to return to the bargaining table to reach an agreement on how to pay for the new physician payment policy. The American Academy of Family Physicians and the Society for Hospitalist Medicine—joining the American College of Physicians, Catalyst for Payment Reform, CIGNA, CVS Caremark, and Health Care for All—have recently endorsed the commission report. We anticipate many others to follow.

With a combination of grassroots (letter writing and op-eds) and grasstops (Congressional briefings) advocacy, SGIM is advocating for passage of the new policy before the current patch expires and it becomes even more costly due to increases in the CBO score.

SGIM will continue to work toward these policy aims to reform physician reimbursement strategies to better align with the triple aim. We welcome comments and engagement in this task by SGIM members.

References

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