MedPAC Recommends SGR Repeal

The Medicare Payment Advisory Commission (MedPAC), an independent Congressional agency that advises Congress on issues affecting Medicare, voted Oct. 6 to recommend that Congress repeal the sustainable growth rate (SGR) reimbursement system and use pay cuts to specialists and other providers to pay for the repeal. ACCC, the American Medical Association, and more than 40 other groups have opposed MedPAC's proposal to replace the SGR.

MedPAC approved four recommendations, which were essentially those discussed at the commission's September meeting. (See ACCCBuzz blog at: *http://acccbuzz.wordpress.com/2011/09/*).

MedPAC recommended replacing the SGR formula with a 10-year freeze of payment levels for primary care doctors. During this 10-year period, other part B providers would receive 5.9 percent payment cuts for the first three years, followed by a freeze for the final seven years.

The commission voted for a recommendation to require data collection to establish more accurate work and practice expense values, and also approved a recommendation for identification of overpriced physician fee schedule services and reduction of their relative value units. Finally, the commission approved a recommendation aimed at increasing the shared savings opportunities for providers who join or lead two-sided risk accountable care organizations (ACOs).

PHOTOGRAPH/PHOTODISC

Drug Shortages Hearing on the Hill

ACCC Board Member Testifies

Sept. 23 the House Energy and Commerce Health Subcommittee held a hearing "Examining the Increase in Drug Shortages." A packed committee room listened to expert witnesses describe the reasons for the shortages and their impact on both patients and providers.

Howard K. Koh, assistant secretary of health, Department of Health and Human Services, said the trend toward increasing drugs shortages over the past five years "…has continued into 2011 with an even greater number of drug shortages." In 2005, 61 drug shortages were reported by the FDA's Center for Drug Evaluation and Research (CDER). In 2010 that number had nearly tripled with 178 drug shortages reported.

Generic sterile injectables represent a large and increasing number of the shortages, which include oncology drugs, anesthetics, and intravenous nutrition.

"There is no single reason that drugs shortages occur," said Koh. He cited a number of factors that are contributing to the problem, including—but not limited to:

- Industry consolidation
- Shortages of underlying raw materials
- Inventory changes
- Product delays
- Difficulties in producing the drugs
- Quality and manufacturing challenges
- Discontinuation of a product for business reasons
- Unanticipated demand.

The FDA is focused on finding solutions to the drug shortage problem, Koh said, terming the shortages a

USPSTF Issues Draft Recommendation on PSA Screening

On Oct. 7 the U.S. Preventive Services Task Force (USPSTF) issued a draft Recommendation Statement recommending against prostate-specific antigen (PSA) screening for prostate cancer. The recommendation applies to men in the U.S. population that do not have symptoms that are highly suspicious for prostate cancer, regardless of age, race, or family history. The Task Force did not evaluate the use of the PSA test as part of a diagnostic strategy in men with symptoms that are highly suspicious for prostate cancer. This recommendation also does not consider the use of the PSA test for surveillance after diagnosis and/or treatment of prostate cancer.

The draft Recommendation Statement is not the final recommendation of the USPSTF, and was available for comment from Oct. 11, 2011, until Nov. 8, 2011. The draft Recommendation Statement is available at *http://www.uspreventiveservicestaskforce.org/draftrec3.htm*.

PHOTOGRAPH/BIGSTOCKPHOTO

"pressing public health problem." The agency has a Drug Shortages Program within CDER to monitor and mitigate the impact of potential and actual drug shortages. Currently, companies voluntarily provide much of the drug shortage information posted on the FDA's website, Koh said.

Expert witnesses testified about the impact of drugs shortages on patient care and clinical trials. Among those testifying was ACCC Board Member W. Charles Penley, MD, who spoke about the impact of drug shortages on the oncology community for the American Society of Clinical Oncology. Dr. Penley's testimony described the dire consequences for patient care when a critical cancer drug is in short supply and emphasized the need for both legislative and regulatory action to reduce drug shortages in oncology.

ACCC supports S. 296 and H.R. 2245 drug shortages companion bills that shift the responsibility for reporting drug shortages from physicians to manufacturers. The legislation would require manufacturers to report impending drug shortages to the FDA. For more on this issue, contact Matt Farber, ACCC's director of Provider Economics and Public Policy, at: *mfarber@accc-cancer.org*.

Note: To help address the drug shortage issue, President Obama issued an executive order on October 31 that instructs the FDA to broaden reporting of potential shortages of certain prescription drugs and speed reviews of applications to begin production of these drugs.

ADI Accreditation—Deadline Looming

Beginning Jan. 1, 2012, suppliers who furnish the technical component of Advanced Diagnostic Imaging (ADI) must be accredited in order to bill Medicare for these services. ADI procedures include MRI, CT, nuclear medicine imaging, and positron emission tomography. X-ray, ultrasound, fluoroscopy, and hospital outpatient procedures are excluded.

The technical component of ADI services includes the performance of the imaging procedures, not the physician interpretation. For dates of service on or after Jan. 1, 2012, Medicare Administrative Contractors (MACs) will begin denying claims for the technical component of ADI that are submitted under the Physician Fee Schedule by suppliers who have not yet been accredited. Once a provider becomes accredited, they can begin billing Medicare for these services again.

CMS Issues Final Rule Implementing Medicaid RACs

States must fully implement their Medicaid Recovery Audit Contractor (RAC) programs by Jan. 1, according to a final rule issued by the Centers for Medicare & Medicaid Services (CMS) Sept. 14.

The final rule, published in the Sept. 16 *Federal Register,* provides states with guidance on Medicaid RAC operational issues such as payment methodology and appeals processes.

CMS adopted most of its proposed provisions in the final rule. Under the final rule, states must now refer any suspected fraud or abuse to local law enforcement or the appropriate Medicaid Fraud Control Unit.

Over 70,000 Providers Participate in Meaningful Use Incentive Programs

More than 70,000 providers have registered to participate in Medicare and Medicaid electronic health record incentive programs, according to the Office of the National Coordinator or Health Information Technology. Federal agencies are beginning to work on Stage 2 of the incentive program, which will likely include greater data collection and exchange, according to Geoffrey Gerhardt, senior adviser to the national coordinator for health IT. Gerhardt spoke at a sixth annual National Health IT Week event in September.

New CoC Standards Released

On Aug. 31 the Commission on Cancer (CoC) of the American College of Surgeons (ACS) released new standards that include three key areas of patient-centered treatment:

- A patient navigation process to address healthcare disparities and barriers to care
- Screening patients for psychosocial distress
- A survivorship care plan that documents care received and seeks to improve cancer survivors' quality of life.

Additionally, new patient-centered standards have been developed that require accredited programs to offer palliative care (either on site or by referral) and genetic services by a qualified genetics professional (either on site or by referral).

For more, see ACCC Board Member Virginia Vaitones "First Person" column on page 48.