

Failed Medicare payments law remains relevant

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Dr. Eli Adashi

In a new commentary in the journal *JAMA Surgery*, Dr. Eli Adashi recounts what he and other advocates saw as merits of the originally bipartisan Sustainable Growth Rate Repeal and Medicare Provider Payment Modernization Act of 2014. The perennial trouble with how

Medicare pays doctors will return in the 114th Congress, and broader trends in health care practice that the bill attempted to address will remain just as strong.

As Congress adjourns this month for the November elections, one of the killed bills senators will step over on their way out the chamber door will be the Sustainable Growth Rate (SGR) Repeal and Medicare Provider Payment Modernization Act of 2014. In a new commentary in the journal *JAMA Surgery*, Dr. Eli Adashi recounts what he and other advocates saw as the merits of the originally bipartisan [bill](#). The perennial trouble with how Medicare pays doctors will return for the next Congress, Adashi said, and broader trends in [health care](#) practice that the bill attempted to address will remain just as strong.

The current SGR law would require dramatic slashes to physician reimbursements from Medicare, but Congress perennially votes to forestall that. In April after the repeal bill passed the House of Representatives but died in the Senate, Adashi writes, Congress instead passed its 17th "doc-fix" patch to prevent a 23.7-percent drop in payments to doctors.

"Congress is going to have to tackle this once again," said Adashi, professor of medicine and former dean of the Alpert Medical School of Brown University. "This bill could be a constructive recipe to resolve this issue."

The bill, which was supported by physician organizations and by the chairs and ranking members of three House and Senate committees, would not only get rid of the troubled SGR system, Adashi writes, but also promote a variety of reforms to healthcare finance and physician practices. The reforms would move Medicare away from paying for whatever tests and services a doctor performs to a system in which compensation is based more on quality and value delivered.

"You can just find the money to pay for the so-called doc-fix and call it a day, but that wouldn't do any good for American health care going forward," Adashi said. "What was unique here was that they said, 'OK we will somehow pay for the doc-fix, but while we are at it, here are some ideas for ways to fix Medicare that will move us forward'."

In his commentary, Adashi acknowledges one of the bill's major sticking points: It didn't specify the needed source of money to pay for its cost, estimated at various times by the Congressional Budget Office to be more than \$100 billion dollars over 10 years.

Another major problem for the bill in March turned out to be a partisan political maneuver that tied it to delaying a major provision of Obamacare.

Incentives for quality

The bill called for 0.5-percent annual increases in doctor payments for four years and then for freezing them for another five years to push doctors to seek bonuses through adopting practices such as quality reporting, "meaningful use" of electronic health records, and value-based payments. Payments would resume their 0.5 percent annual climb after 2023, although doctors scoring well in the Merit-Based Incentive Payment System would see considerably higher reimbursements.

Another way for doctors to earn higher payments would be participating in newer health care financing models such as Accountable Care Organizations and Patient-Centered Medical Homes that also emphasize the medical outcomes achieved rather than the volume of procedures performed.

The bill would promote the development of health care quality measures, Adashi writes. It also sought to beef up the information available to

consumers regarding doctor performance and fees on the website [Physician Compare](#).

"This transparency is exactly what the doctor ordered," Adashi said.

Adashi does not presume to predict what the next Congress will do, especially because it hasn't been elected yet, but he said he hopes it will return to the progressive spirit that the bill embodied to address the SGR and reform health care finance in general.

"In a rare display of bipartisanship, Congress crafted a landmark bill which – if enacted – stands to exert a profound effect on the payment policies of Medicare for years to come," he writes.

Provided by Brown University

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