

Part B Insider (Multispecialty) Coding Alert

PAY-FOR-PERFORMANCE: Quality Is Still Its Own Reward Under Medicare

Pay-for-performance program is looking a lot less likely

On Feb. 1, the U.S. House of Representatives finally passed a 2006 budget that replaced the scheduled 4.4-percent cut to your reimbursement with a pay freeze, meaning you'll continue to receive 2005 payment levels for another year.

The final 2006 budget doesn't include any mention of pay for performance (P4P). Legislators had wanted to include programs where your reimbursement would be reduced by 1 percent, and that money would go into a pool. In the first year, you'd get money from that pool for answering quality questions, but after that, you'd only receive the money if you followed quality guidelines.

Good news: Most observers had expected the budget to include P4P in exchange for scrapping the 4.4-percent cut. But Washington insiders say that legislators couldn't agree about how P4P would work and whether to add more money to pay for it. Those disagreements still haven't been resolved, and they may make it harder to pass P4P this year, as well.

Officials at the **Centers for Medicare & Medicaid Services** talk as if Congress were bound to pass P4P soon, according to **Piper Nieters**, an attorney with **Powers Pyles Sutter & Verville**. CMS claims that P4P is inevitable and only the details haven't been settled yet.

Deadlocked: But Congressional staffers are less optimistic, Nieters adds. The top decision-makers can't agree about whether to junk the Sustainable Growth Rate (SGR), the formula that calls for cuts of nearly 5 percent per year for several years. Some, like Rep. **Nancy Johnson** (R-CT), believe P4P won't work unless physicians receive a pay increase from Medicare. Others want to pass P4P without adding any more money to physicians' pockets.

Other sticky disputes include how Medicare can come up with measures that apply to all physicians, and how you'd receive payments for participating in P4P. Every time someone brings up P4P in a Congressional meeting, "everybody leaves the room," Nieters says.

Bad sign: CMS launched its own voluntary program for physicians to report on quality indicators this year. But before the program even launched, CMS scaled it back from 36 quality measures to 16. Because you don't receive any extra money for participating in this program, many physicians have already decided not to take part, and many others are skeptical.

With cuts to some services and an overall freeze, physicians don't feel like doing extra work for Medicare without getting paid, says Nieters.

CMS claims that physicians should want to take part because it will give them a head start on preparing for P4P. But CMS wants you to use temporary "G" codes to report quality measures, and there's no way a final P4P program will use G codes, says Nieters.