

## Part B Insider (Multispecialty) Coding Alert

### Physician Notes: CMS Will Call The Tune, You'll Give The Performance

#### Prepare to feel the pinch if care doesn't meet efficiency standards

The **Medicare Payment Advisory Commission's** March report will recommend that Congress immediately establish pay-for-performance (P4P) mechanisms for physicians and other providers. Also, the **Centers for Medicare & Medicaid Services** should require more data collection on claim forms, such as prescription-drug use and lab results.

At first, Medicare would only put a small amount of provider payments at risk for quality achievements, said MedPAC. But over time the percentage would grow substantially. In the first year, 1 percent of physicians' payments would be shifted into a quality pool that would then be redistributed to those providers - probably less than half of the total - who met goals.

Some commissioners expressed concerns about applying P4P to different physician specialties, but the first standards would only focus on information technology or electronic prescriptions. Over time, though, lagging specialty groups would have to develop their own quality measures.

Eventually, Medicare payments should be lined up with incentives to "be efficient" in providing care, ensuring the most bang for each buck. If doctors choose less-efficient treatment strategies, they should feel some of the pinch, the commissioners said. To that end, MedPAC will call on the CMS to gather data on each physician's "resource use" and give each physician a confidential briefing on how his or her efficiency compares with peers' averages.

1. The **Association of Community Cancer Centers (ACCC) and 12 state oncology societies** are urging CMS to withdraw a Nov. 1, 2004, draft national coverage decision. The NCD deals with nine clinical trials, sponsored by the **National Cancer Institute**, which would gather data on xaliplatin, irinotecan, cetuximab, and bevacizumab.

Despite the need for clinical trials that investigate new cancer therapies, the NCD process should not be used "to pioneer an untested approach to Medicare coverage of advanced drugs and biologicals," the Dec. 30, 2004, letter reads.

The ACCC also commented that the many unanswered questions - how coverage will be affected inside and outside of the trials, where they will be located, what treatments will be included and which providers can participate - cast doubt on CMS' goals and intentions.

**Instead:** The groups advised CMS to "focus its limited resources on enhancing processes already in place," including Medicare's current local coverage rules that facilitate access to innovative therapies.

To read the comment, go to: [www.accc-cancer.org/news/ncdcomments.pdf](http://www.accc-cancer.org/news/ncdcomments.pdf).

2. **The pace of health spending growth slowed in 2003** for the first time in seven years, a report by CMS' **Office of the Actuary** shows. Health spending grew only 7.7 percent, down from 9.3 percent growth in 2002.