
H.R. 3200 – AMERICA’S AFFORDABLE HEALTH CHOICES ACT OF 2009 Favorable Provisions for Physician Practices

H.R. 3200, “America’s Affordable Health Care Choices Act of 2009,” has many critical and historic provisions that will benefit physicians and help millions of Americans, including those who are uninsured, those who have insurance, and seniors on Medicare.

Coverage for the uninsured: Provides coverage to an estimated 97% of the legal, non-elderly U.S. population, the vast majority by private insurance plans, according to the Congressional Budget Office.

Health insurance market reforms: Provides essential health insurance market reforms such as eliminating coverage denials based on pre-existing conditions and forbidding insurance rating based on gender and health status.

Medical Liability Reform: An amendment approved by the Energy and Commerce Committee provides financial incentives to qualifying states that enact certificate of merit and/or early offer programs in medical liability cases.

Physician Payment: Provides \$228.5 billion to:

- repeal the SGR and provide an MEI update for 2010 instead of a 21.5% cut;
- eliminate all SGR debt accumulated after years of temporary, unfunded fixes;
- establish two new expenditure targets with significantly higher utilization growth allowances than the SGR;
- exclude the cost of physician-administered drugs and laboratory services from the new targets; and
- re-set the new targets after five years to help reduce the likelihood of future steep cuts under the new targets.

Primary care physicians: Provides \$6.4 billion in new funding to increase Medicare payment rates for primary care physicians without offsetting payment cuts for other physician services. Primary care payments will increase by 5% starting in 2011, with a 10% increase for those practicing in primary care Health Professional Shortage Areas. In addition, primary care payment rates under Medicaid would be phased up to 100% of Medicare rates nationwide by 2012.

Medical home: Expands testing of alternative Medicare delivery system reforms by establishing a \$1.8 billion medical home pilot program.

Physicians in localities with relatively low Medicare spending: \$500 million is allocated to provide 5% bonus payments in areas with relatively low Medicare spending from 2011 through 2013.

HEALTH SYSTEM REFORM

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Physicians in localities with low geographic adjustment factors: Provides \$1.3 billion to extend the geographic practice cost index (GPCI) floor for physician work through 2011 and provides \$8 billion for revised Parts A and B geographic adjustment factors.

California physicians: Provides \$300 million to revise Medicare payment localities in the state.

Psychiatrists: Continues incentives for mental health services by providing \$100 million to extend the 5% mental health service add-on payment for 2 more years.

Physicians who provide adult vaccines: \$1.5 billion is dedicated to expand Part B vaccine coverage for all ACIP-recommended vaccines and their administration.

Physician Quality Reporting Initiative (PQRI): Spends \$1.6 billion to improve the PQRI by requiring timely feedback reports and an appeals process and extending bonuses through 2012 with no penalties imposed on those who do not participate.

Prevention and Wellness: Waives all Medicare cost-sharing for certain preventive services. Authorizes additional funding for prevention and wellness activities and requires the Secretary to develop a national strategy to identify specific goals and objectives in prevention and wellness, establish national priorities for prevention and wellness programs and research, and address health disparities in prevention and wellness activities.

Administrative Simplification: Streamlines health care administration, reduces overhead costs and improves the revenue cycle for physician practices by funding HHS adoption of certain HIPAA electronic transaction and code set standards, such as claims attachments and electronic funds transfers, as well as operating rules for using and processing electronic health care transactions.

Physician Workforce: Authorizes increased funding, scholarship and loan repayment programs for the National Health Service Corps (NHSC), flexibility for part-time NHSC service, and increased funding for Title VII health professions and diversity programs to train more primary care physicians.

We urge your support of these important reforms and improvements to our health care system, including the Medicare program, which will help ensure access to cost-effective, high quality services for all our patients.