**CMS Medicare FFS Provider e-News**

*CMS Information for the Medicare Fee-For-Service Provider Community*

***CMS asks that you share the following important information with all of your association members and State and local chapters. Thank you!***

Robin Fritter, Director
Division of Provider Relations & Outreach
Provider Communications Group
Center for Medicare
Centers for Medicare & Medicaid Services

robin.fritter@cms.hhs.gov
410-786-7485

**CMS Proposes Policy, Payment Rate Changes for the Physician Fee Schedule in 2012**

The Centers for Medicare & Medicaid Services (CMS) today issued a proposed rule that would update payment policies and rates for physicians and non-physician practitioners (NPPs) for services paid under the Medicare Physician Fee Schedule (MPFS) in calendar year (CY) 2012. More than 1 million providers of vital health services to Medicare beneficiaries – including medical and osteopathic physicians, limited license practitioners such as podiatrists, and NPPs such as nurse practitioners and physical therapists – are paid under the MPFS. CMS projects that total payments under the MPFS in CY 2012 will be $80 billion.

CMS is required to issue a proposed rule that reflects current law. Under current law, providers would face steep across-the-board reduction in payment rates, based on a formula – the Sustainable Growth Rate (SGR) – that was adopted in the Balanced Budget Act of 1997. If it goes into effect, Medicare payment rates are projected to be reduced by 29.5 percent for services in 2012. This is the eleventh time the SGR formula resulted in a payment cut, although the cuts have been averted through legislation in all but CY 2002. In 2010, three separate pieces of legislation were necessary to avert the payment cuts, followed by two additional enactments that authorized increases in the physician update, resulting in higher payment rates for physicians' services performed between Jun 1, 2010 and Dec 31, 2011.

The proposed rule would update a number of physician incentive programs including the Physician Quality Reporting System, the e-Prescribing Incentive Program and the Electronic Health Records Incentive Program. Additionally, it includes proposed quality and cost measures that would be used in establishing a

new value-based modifier that would reward physicians for providing higher quality and more efficient care. The Affordable Care Act requires CMS to begin making payment adjustments to certain physicians and physician groups on Jan 1, 2015, and to apply the modifier to all physicians by Jan 1, 2017. CMS intends to work closely with physicians to ensure that efforts to improve the quality, safety, and efficiency of care do not have unintended consequences for patient access to care.

CMS will accept comments on the proposed rule until Tue Aug 30, 2011, and will review and respond to all comments in a final rule to be issued by Tue Nov 1, 2011.

To read the entire CMS Press release issued today (7/1) click here:
http://www.cms.hhs.gov/apps/media/press_releases.asp

Also, for additional information please the CMS Fact Sheets (7/1) click here:
http://www.cms.hhs.gov/apps/media/fact_sheets.asp

Physician Fee PPS Rule at Federal Register (PDF):
http://www.ofr.gov/OFRUpload/OFRData/2011-16972_PI.pdf

**Dr. Berwick's Speech on Accountable Care Organizations**

CMS is committed to achieving the three-part aim of better healthcare, better health, and reduced costs through improvement. Accountable Care Organizations (ACOs) are an important tool for CMS in accomplishing higher quality, more seamless care for CMS beneficiaries.

To hear about Dr. Berwick's vision, listen to his speech on the future of ACOs; available online here.

Dr. Berwick delivered his address at the first in a series of ACO Accelerated Development Learning Sessions. These free sessions provide leadership teams from existing or emerging ACO entities with the opportunity to learn about essential ACO functions and ways to build the capacity needed to achieve better care, better health and lower costs through integrated care models.

**More Helpful Links…**

**Check out CMS on**

Twitter, LinkedIn, YouTube, and Flickr!

**The Medicare Learning Network**
www.CMS.gov/MLNGenInfo

**Archive of Provider e-News Messages**
www.CMS.gov/FFSProvPartProg/EmailArchive