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Health System Reform Insight - Jan. 20, 2012

Given the new direction for the nation's health system, the AMA has developed *Health System Reform Insight* to help you understand what this new direction means to you and your patients.

AMA reduces burdensome requirements, advances physician opportunities


From high-priority refinements of the Affordable Care Act (ACA) to other aspects of the nation's changing health care system, AMA efforts during the past year led to significant improvements to legislation and regulations that would change the nation's health care system. A few of the AMA's notable achievements are briefly summarized below.

Medicare Shared Savings Program

Thanks to AMA advocacy, the Centers for Medicare & Medicaid Services (CMS) made several significant changes to the proposed rules for Medicare's accountable care organization (ACO) Shared Savings Program. These revisions were made expressly to ensure that physicians can lead these efforts successfully. A few highlights of the revised rules include:

- Allowing ACOs to share in the first dollar of savings earned.
- Cutting the number of required quality measures in half.
- Reducing the number of ACO physicians who must achieve the status of "meaningful users" of electronic health records.
- Ensuring that ACO governing bodies are 75 percent controlled by physicians and other providers in the ACO.

Medicare Advance Payment Model

At the AMA's urging, a new \$170 million [program](#)  was created to provide physician-led ACOs with the up-front capital they need to invest in the infrastructure required to form an ACO.

Electronic health care transactions

The U.S. Department of Health and Human Services has adopted uniform operating rules for the eligibility and claims status electronic transactions as a result of AMA efforts. The operating rules will help simplify these administrative tasks for physicians.

CMS's ePrescribing program

After significant AMA advocacy, CMS took the rare step of re-opening the regulatory process to greatly expand the number and breadth of [hardship exemptions](#) of its ePrescribing program. These changes enabled more physicians to avoid the 2012 penalty for not meeting the program's requirements.

Fraud and abuse

The AMA's efforts led to substantial improvements to numerous fraud and abuse policies. CMS took the following actions:

- Pushed back an overly aggressive Medicare revalidation program.
- Established meaningful guidelines for a predictive modeling program that would help identify possible instances of fraud.
- Indefinitely postponed pre-payment audit demonstrations.
- Issued the same protections for physicians in the Medicaid recovery audit contractor program that the AMA had previously secured in the Medicare program.

Physician Quality Reporting System

Among the Physician Quality Reporting System program improvements that the AMA achieved are:

- Lower reporting thresholds to help ease the burden of reporting.
- Quarterly feedback reports broken down by measure to help medical specialty societies identify error patterns.
- More frequent educational calls and an implementation guide to help physicians succeed in the program.

Identity theft protection

As a direct result of AMA advocacy, CMS established a [streamlined process](#)  for restoring the financial integrity of physicians who are victims of identity theft.

Medical-loss ratios



The AMA prevented industry attempts to weaken the medical-loss ratio rule. In particular, agent and broker fees will be retained in the calculation of administrative expenses, which will help keep premiums down.

1099 reporting


A new law eliminated a burdensome provision of the ACA that would have required physicians and others viewed as government "contractors" to file 1099 forms with the Internal Revenue Service for vendor services of \$600 a year or more.

Key dates

Jan. 23

Join the AMA and Medical Group Management Association for an hourlong conference call with officials from CMS at 7 p.m. Eastern time to learn how physician-led Medicare ACOs can qualify for as much as \$250,000 in up-front payments through the new [Advance Payment ACO](#)  program. [Register](#)  today.

Feb. 7

Become a leader in successfully influencing lawmakers to permanently repeal the sustainable growth rate (SGR) formula. Attend a webinar with AMA Advocacy staff and Brad Fitch of the Congressional Management Foundation at 8 p.m. Eastern time Feb. 7 to learn how. [Register](#)  today.

Feb. 14

Physicians who wish to change their Medicare participation status must do so within the next few weeks. The AMA's [Medicare Participation Kit](#) helps physicians assess which Medicare participation option might be best for their practices.

March 1

Medicare physician payments are scheduled to be cut by 27 percent. Ask your members of Congress what they are doing to secure repeal of the SGR before the cut takes effect: Call the AMA grassroots hotline at (800) 833-6354.

Important links

[Medicare physician payment reform action kit](#)

[AMA comments on Affordable Care Act implementation regulations](#)

[AMA federal advocacy efforts](#)