SGR Bill Introduced

The Medicare Physician Payment Innovation Act, introduced by Reps. Allyson Schwartz (D-PA) and Joe Heck (R-NV), has bipartisan support, although many providers have some concerns with the legislation. The bill would repeal the current Sustainable Growth Rate (SGR) formula and temporarily increase physician pay 2.5 percent based on a percentage of Medicare allowable charges. The proposal also details an alternative fee-for-service system that would serve as an option for physicians who are not able to participate in one of the new delivery and payment models. The legislation would be funded by war savings.

Some provider groups would like to see all physicians paid at the same level for evaluation and management services, regardless of whether they are a specialty or primary care doctors. Under the newly unveiled Medicare Physician Payment Innovation Act, an annual differential update of 2.5 percent would be instituted for primary care, preventive and care coordination services provided by providers for whom 60 percent of their Medicare allowable charges are for those same services. Others would receive a 0.5 percent update. A temporary SGR fix, passed by Congress in February, expires January 1, 2012.