Physician Feedback Program

**Summary:** Expands Medicare’s physician resource use feedback program to provide for development of individualized reports by 2012. Reports will compare the per capita utilization of physicians (or groups of physicians) to other physicians who see similar patients. Reports will be risk-adjusted and standardized to take into account local health care costs.

**Status update:** On July 1, 2011, the Centers for Medicare and Medicaid Services (CMS) issued a proposed rule that would update payment policies and rates for physicians and nonphysician practitioners (NPPs) for services paid under the Medicare Physician Fee Schedule (MPFS) in calendar year (CY) 2012, including proposed changes to the Physician Feedback Program. Specifically, CMS expects to expand dissemination of feedback/resource use reports to cover 100,000 physicians nationally in 2012.

**Next steps:**
- June 25, 2010 – CMS issues regulations regarding the PQRI changes (including changes to the Physician Feedback Program)
- August 24, 2010 – Comments due to the CMS regarding the proposed rule
- Not later than November 1, 2010 – CMS will respond to comments
- January 1, 2011 – New payment rates and policies will apply, including initial changes to the Physician Feedback Program
- July 1, 2011 – CMS issued proposed rule
- August 30, 2011 – Comments due on proposed rule
- November 1, 2011 – CMS final rule
- January 1, 2012 – Changes for calendar year 2012 go into effect
- By January 1, 2012 – Secretary must develop the episode-grouper that combines separate but clinically related items and services into an episode of care for an individual, make the methodology public, and seek endorsement by the National Quality Forum
- By January 1, 2012 – Secretary must provide reports to physicians that compare patterns of resource use of the individual physician to such patterns of other physicians.

**Additional information:**
Long summary:

Sec. 3003. Improvements to the physician feedback program.

Episode grouper. Amends the physician feedback program to require utilization reports based on an episode grouper that combines separate but clinically-related services into an episode of care for which the physician (or group of physicians) is accountable. By January 1, 2012, Secretary must develop the episode-grouper by January 1, 2012; make the methodology available to the public; and seek endorsement by the National Quality Forum.

Feedback reports. Beginning in 2012, the Secretary must provide feedback reports to physicians or groups of physicians using the episode grouper to compare their resource use for items and services furnished or ordered with that of other physicians or groups of physicians caring for patients with similar conditions. Feedback reports must include appropriate adjustments to account for differences in the demographic characteristics and health status of individuals and also to eliminate the effect of geographic adjustments in payment rates. Requires education and outreach activities to physicians on the operation of, and methodologies used, under the feedback program. Secretary must disclose the methodologies used to analyze data, including adjustments for patient and geographic differences and make the aggregate reports on physicians available to the public.

Coordination. Requires coordination of the feedback program with the value-based payment modifier (see sec. 3007) and other similar provisions.

Legislative text:

SEC. 3003. IMPROVEMENTS TO THE PHYSICIAN FEEDBACK PROGRAM.

(a) IN GENERAL.—Section 1848(n) of the Social Security Act (42 U.S.C. 1395w–4(n)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking “GENERAL.—The Secretary” and inserting “GENERAL.—

“(i) ESTABLISHMENT.—The Secretary”;

(ii) in clause (i), as added by clause (i), by striking “the ‘Program’)” and all that follows through the period at the end of the second sentence and inserting “the ‘Program’.”; and

(iii) by adding at the end the following new clauses:

“(ii) REPORTS ON RESOURCES.—The Secretary shall use claims data under this title (and may use other data) to provide confidential reports to physicians (and, as determined appropriate by the Secretary, to groups of physicians) that measure the resources involved in furnishing care to individuals under this title.

“(iii) INCLUSION OF CERTAIN INFORMATION.—If determined appropriate by the Secretary, the Secretary may include information on the quality of care furnished to individuals under this title by the physician (or group of physicians) in such reports.”; and

(B) in subparagraph (B), by striking “subparagraph (A)” and inserting “subparagraph (A)(ii)”;

(2) in paragraph (4)—

(A) in the heading, by inserting “INITIAL” after “FOCUS”;

(B) in the matter preceding subparagraph (A), by inserting “initial” after “focus the”;

(3) in paragraph (6), by adding at the end the following new sentence: “For adjustments for reports on utilization under paragraph (9), see subparagraph (D) of such paragraph.”; and

(4) by adding at the end the following new paragraphs:

“(9) REPORTS ON UTILIZATION.—

“(A) DEVELOPMENT OF EPISODEGROUPER.—

“(i) IN GENERAL.—The Secretary shall develop an episode grouper that combines separate but clinically related items and services into an episode of care for an individual, as appropriate.

“(ii) TIMELINE FOR DEVELOPMENT.—The episode grouper described in subparagraph (A) shall be developed by not later than January 1, 2012.

“(iii) PUBLIC AVAILABILITY.—The Secretary shall make the details of the episode grouper described in subparagraph (A) available to the public.
“(iv) ENDORSEMENT.—The Secretary shall seek endorsement of the episode grouper described in subparagraph (A) by the entity with a contract under section 1890(a).

“(B) REPORTS ON UTILIZATION.—Effective beginning with 2012, the Secretary shall provide reports to physicians that compare, as determined appropriate by the Secretary, patterns of resource use of the individual physician to such patterns of other physicians.

“(C) ANALYSIS OF DATA.—The Secretary shall, for purposes of preparing reports under this paragraph, establish methodologies as appropriate, such as to—

“(i) attribute episodes of care, in whole or in part, to physicians;

“(ii) identify appropriate physicians for purposes of comparison under subparagraph (B); and

“(iii) aggregate episodes of care attributed to a physician under clause (i) into a composite measure per individual.

“(D) DATA ADJUSTMENT.—In preparing reports under this paragraph, the Secretary shall make appropriate adjustments, including adjustments—

“(i) to account for differences in socioeconomic and demographic characteristics, ethnicity, and health status of individuals (such as to recognize that less healthy individuals may require more intensive interventions); and

“(ii) to eliminate the effect of geographic adjustments in payment rates (as described in subsection (e)).

“(E) PUBLIC AVAILABILITY OF METHODOLOGY.—The Secretary shall make available to the public—

“(i) the methodologies established under subparagraph (C);

“(ii) information regarding any adjustments made to data under subparagraph (D); and

“(iii) aggregate reports with respect to physicians.

“(F) DEFINITION OF PHYSICIAN.—In this paragraph:

“(i) IN GENERAL.—The term ‘physician’ has the meaning given that term in section 1861(r)(1).

“(ii) TREATMENT OF GROUPS.—Such term includes, as the Secretary determines appropriate, a group of physicians.

“(G) LIMITATIONS ON REVIEW.—There shall be no administrative or judicial review under section 1869, section 1878, or otherwise of the establishment of the methodology under subparagraph (C), including the determination of an episode of care under such methodology.

“(10) COORDINATION WITH OTHER VALUE-BASED PURCHASING REFORMS.—The Secretary shall coordinate the Program with the value-based payment modifier established under subsection (p) and, as the Secretary determines appropriate, other similar provisions of this title.”.

“(b) CONFORMING AMENDMENT.—Section 1890(b) of the Social Security Act (42 U.S.C. 1395aaa(b)) is amended by adding at the end the following new paragraph:

“(6) REVIEW AND ENDORSEMENT OF EPISODE GROUPER UNDER THE PHYSICIAN FEEDBACK PROGRAM.—The entity shall provide for the review and, as appropriate, the endorsement of the episode grouper developed by the Secretary under section 1848(n)(9)(A). Such review shall be conducted on an expedited basis.”.