

**PRACTICING PHYSICIANS ADVISORY COUNCIL
RECOMMENDATIONS – August 28, 2006 MEETING
To Be Reported During December 4, 2006 Meeting**

CMS Requests

<u>Recommendations</u>	<u>Respondent</u>	<u>CMS Response</u>
<p><u>Agenda Item C: PPAC Update</u> The Council members expressed concern about the CMS response to recommendation 56-O-1 regarding payment to academic anesthesia programs. 57-C-1: Because 1) the number of academic anesthesia physician training programs has declined by approximately 30 since the inception of the anesthesia teaching rule (although anesthesia nurse training programs have increased) and 2) hospitals are subsidizing academic anesthesia training programs by as much as \$400,000 to \$1 million per program per year, PPAC recommends that CMS reevaluate its decision to equalize reimbursement for academic anesthesia physician training programs.</p> <p><u>Agenda Item D: PRIT Update:</u> 57-D-1: PPAC recommends that CMS publish all of the RVUs forwarded by the RVU Update</p>	<p>Kenneth Simon, M.D., MBA Executive Director, Practicing Physicians Advisory Council</p> <p>William Rogers, M.D.,</p>	

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<p>Committee, even when CMS makes a noncoverage decision for physician services.</p> <p>57-D-2: PPAC thanks CMS for its 3 years of hard work on the issue of volunteer faculty in graduate medical education. PPAC recommends that CMS expedite and raise the priority for resolving the rule on volunteer faculty in graduate medical education in ambulatory settings. PPAC also requests that CMS update the Council on progress on this issue at the next PPAC meeting.</p> <p><u>Agenda Item F — Medicare Pricing for Fee-for-Service and Advantage Plans</u></p> <p>57-F-1: The Council asked that CMS present at a future meeting an analysis of the overall cost savings to Medicare of covered preventive services, using bone density screening by dual-energy x-ray absorptiometry (DEXA) and subsequent decrease in bone fractures as an example. The analysis should also address how DEXA utilization rates affect the sustainable growth rate.</p>	<p>Director, Physicians Regulatory Issues Team, Office of Public Affairs, Centers for Medicare and Medicaid Services</p> <p>Sol Mussey, A.S.A., Director, Medicare and Medicaid Cost Estimates Group; Kent Clemens, F.S.A., Actuary, Medicare and Medicaid Cost Estimates Group; and John Shatto, F.S.A., Deputy Director, Parts</p>	

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<p><u>Agenda Item G — Five-Year Review/Physician Fee Schedule/Practice Expense — Impact of Deficit Reduction Act (DRA) Provisions on Imaging Services</u></p> <p>57-G-1: PPAC recommends that CMS use an adjustment to the conversion factor instead of a 10-percent work value adjustment to maintain budget neutrality for the 2007 physician fee schedule.</p> <p>57-G-2: PPAC thanks the Secretary of the Department of Health and Human Services and CMS leadership for previous efforts to prevent a negative update to the physician fee schedule. PPAC requests that CMS continue to use its influence with Congress to implement for 2007 the 2.8-percent update recommended by the Medicare Payment Advisory Commission (MedPAC) and replace the flawed payment formula with one that takes into account actual health care inflation costs.</p> <p>57-G-3: PPAC recommends that CMS provide the Council with updated information on the implications of changes to the physician fee</p>	<p>C and D, Actuarial Group in the Office of the Actuary,</p> <p>John Warren, Director Division of Ambulatory Services, Center for Medicare Management</p> <p>EdithHambrick, M.D., J.D., Medical Officer, Center for Medicare Management</p>	

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<p>schedule for subsequent beneficiary access to physician services.</p> <p>57-G-4: PPAC recommends that CMS use reliable, accurate, current, geographically-relevant information to establish the true cost of professional liability insurance.</p> <p>57-G-5: PPAC recommends that CMS consider the appropriateness of including professional liability insurance as a component of the RVU system and whether professional liability insurance should be incorporated into indirect practice expense calculations.</p> <p><u>Agenda Item H — Outpatient Prospective Payment System (OPPS)/Ambulatory Surgery Center (ASC) Update</u></p> <p>57-H-1: PPAC recommends that CMS abandon the proposed methodology for determining the median cost of brachytherapy sources and reexamine the claims data on which the proposed system is based.</p>	<p>Joan Sanow, Deputy Director of the Division of Outpatient Services, Center for Medicare Management</p> <p>Edith Hambrick, M.D., J.D.,</p>	

