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**Chairman Herger Announces Hearing on Programs that Reward
Physicians Who Deliver High Quality and Efficient Care**

House Ways and Means Health Subcommittee Chairman Wally Herger (R-CA) today announced that the Subcommittee on Health will hold a hearing to explore how private sector payers are rewarding physicians who deliver high quality and efficient care. With this hearing, the Subcommittee will continue to examine potential ways to reform Medicare's physician payment system. The Subcommittee will hear from witnesses who have developed, supported, and participated in quality and efficiency measurement programs. **The hearing will take place on Tuesday, February 7, 2012, in 1100 Longworth House Office Building, beginning at 10:00 A.M.**

In announcing the hearing, Chairman Herger stated, **"As we continue to seek a long-term solution to the Medicare physician payment system, this hearing will enable the Subcommittee to learn more about how programs developed by physicians and private payers are successfully rewarding quality and efficiency in care delivery while reducing complications and wasteful spending. The experience of those at the forefront of these innovative efforts will help the Subcommittee as it considers how to better reimburse physician services in Medicare."**

BACKGROUND:

Medicare currently reimburses nearly every physician on a fee-for-service (FFS) basis. While the physician fee schedule generally takes into account the work, time, and effort associated with each service, it does not account for the quality and efficiency of the care provided. Furthermore, the mechanism used to annually update the fee schedule—the Sustainable Growth Rate (SGR) formula—limits spending growth to growth in the economy but does not recognize value or quality. There is broad acknowledgement of the shortcomings of the current payment system, including the disruptive role of the SGR, and the growing importance of incentivizing patient-centered, high-quality, and outcomes-oriented care.

In consultation with physicians, many private payers have developed

provided. Some of these programs also recognize practice transformation activities. Preliminary results from these programs have shown reductions in unnecessary emergency room visits, surgical complications, and repeated procedures. Some physician organizations are also very active both in collecting data to enhance performance and in developing programs that recognize physician excellence. These organizations have encouraged widespread dissemination of clinical evidence, improved patient outcomes, and reduced unwarranted variations in care. Such physician-driven programs and activities may offer valuable lessons for reforming the Medicare physician payment system.

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