

U.S. House Agreement on Medicare Geographic Variation and Promotion of High Value Care

Agreement between House Leadership and members from the Quality Care Coalition

America's Affordable Health Choices of 2009 (H.R. 3200)

**This document describes the major agreed upon changes to be included in the House version of HR 3200.*

THE AGREEMENT

This agreement will move the nation to a system that will reward high quality, cost-effective care, rather than the current system that has focused on the volume of care. It will fix existing Medicare geographic payment inequities and will cover both physician and hospital payments. This agreement also calls for a study of geographic variations and quality metrics which will be used as recommendations to be implemented for a system based on quality and value that will be implemented by the Secretary of Health and Human Services into the Medicare system. This will provide an historic transformation of the Medicare payment system to ensure better care for patients and reduce health care costs over the long-term.

Section by Section:

Section 1157

Geographic Variation Study

The Institute of Medicine will conduct a study to evaluate and make recommendations to improve the geographic adjustment factors in the Medicare reimbursement formulas which will be completed one year after enactment.

Section 1158

Revision of Medicare Payment System

The Secretary of HHS will implement a payment rate that takes into account this study that can be implemented immediately after the study's completion.

This bill invests \$4 billion per year in 2012 and 2013 to make payment rate adjustments. No area will lose money during 2012 and 2013; after 2013 the bill will become budget neutral and payment rates will be based upon the study.

Section 1159

High Value Study

The Institute of Medicine will also do a study and provide recommendations on changing the Medicare payment system to reward value and quality which will be completed by April 2011.

This would define value as the efficient delivery of high quality, evidence-based, patient centered care.

Section 1160

Implementation plan

Not later than 90 days after the report the Secretary of HHS will submit to Congress a preliminary implementation plan based on the IOM studies, and a final implementation plan 240 days after.

MedPac and GAO will evaluate the report within 45 days.

The IOM's quality and value-based payment recommendations will automatically go into effect unless the House and Senate pass joint resolutions of disapproval by May 31, 2012.