

Transitioning from the SGR to a High Performing Medicare Program DRIVING PRINCIPLES AND CORE ELEMENTS

Eliminating the SGR formula is essential to developing a high performing Medicare program. In conjunction with SGR repeal, the following driving principles can provide a foundation for a transition plan that organized medicine can support:

- Successful delivery reform is an essential foundation for transitioning to a high performing Medicare program that provides patient choice and meets the health care needs of a diverse patient population.
- The Medicare program must invest and support physician infrastructure that provides the platform for delivery and payment reform.
- Medicare payment updates should reflect costs of providing services as well as efforts and progress on quality improvements and managing costs.

The transition plan must include core elements that:

- Reflect the diversity of physician practices and provide opportunities for physicians to choose payment models that work for their patients, practice, specialty and region;
- Encourage incremental changes with positive incentives and rewards during a defined timetable, instead of using penalties to order abrupt changes in care delivery; and
- Provide a way to measure progress and show policymakers that physicians are taking accountability for quality and costs;

In addition, the plan needs to be structured in a way that will:

- Reward physicians for savings achieved across the health care spectrum;
- Enhance prospects for physicians adopting new models to achieve positive updates;
- Tie incentives to physicians' own actions, not the actions of others or factors beyond their influence;
- Enhance prospects to harmonize measures and alter incentives in current law;
- Encourage systems of care, regional collaborative efforts, primary care and specialist cooperation while preserving patient choice;
- Allow specialty and state society initiatives to be credited as delivery improvements (deeming authority) and recognize the central role of the profession in determining and measuring quality; and

- Provide exemptions and alternative pathways for physicians in practice situations in which making or recovering the investments that may be needed to reform care delivery would constitute a hardship.