



July 16, 2008

Congress Overrides Medicare Veto; E-Rx Measure Preserved



Yesterday, legislation to block a scheduled Medicare physician pay cut and provide financial incentives to physicians for using electronic prescriptions became law after Congress overwhelmingly overrode President Bush's veto of the bill earlier in the day, [Health Data Management](#) reports.

Bush argued that the Medicare Improvements for Patients and Providers Act of 2008 ([HR 6331](#)) would harm Medicare beneficiaries, weaken the Medicare drug benefit and be financially irresponsible ([Health Data Management](#), 7/15).

The House voted 383-41 and the Senate voted 70-26 to override the veto. One hundred and fifty-three House Republicans and 21 Senate Republicans crossed party lines to vote in favor of the legislation (Abramowitz/Kane, [Washington Post](#), 7/16).

E-Prescribing Provisions

The new law will provide Medicare physician incentive payments of 2% for e-prescribing in fiscal years 2009 and 2010, 1% in FY 2011 and 2012, and 0.5% in FY 2013. In addition, Medicare payments to physicians who do not e-prescribe will be reduced by 1% in 2012, 1.5% in 2013 and 2% in subsequent years.

The new law also requires the reporting of e-prescribing quality measures established under Medicare's physician reporting system.

The e-prescribing provisions only apply to physicians participating in Medicare, but other health plans often follow Medicare's lead and implement similar policies, according to [Health Data Management](#).

Other Measures

The main provisions of the new law include:

- Eliminating scheduled physician fee cuts;
- Accelerating payments for Medicare drug benefit claims;
- Increasing payments to rural providers;
- Boosting funding to expand mental health parity and coverage of preventive services; and
- Suspending the competitive bidding process for durable medical equipment ([Health Data Management](#), 7/15).

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The California HealthCare Foundation by The Advisory Board Company.