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Senate OKs Medicare Bill With E-Rx Incentives for Physicians



On Wednesday, the Senate approved by a veto-proof margin a bill that would halt a scheduled 10.6% Medicare physician pay cut and provide financial incentives to physicians for using electronic prescriptions, [Healthcare IT News](#) reports.

The House passed the bill, called the Medicare Improvements for Patients and Providers Act of 2008 ([HR 6331](#)), by a veto-proof margin in June (Manos, [Healthcare IT News](#), 7/10).

Under the bill, Medicare physicians who use e-prescribing technology would be eligible for incentive payments of 2% in fiscal year 2009 and 2010, 1% in FY 2011 and 2012 and 0.5% in 2013 ([Health Data Management](#), 7/10). Physicians participating in Medicare who do not e-prescribe by 2012 would see a 2% payment cut ([Healthcare IT News](#), 7/10).

According to the *Wall Street Journal*, the increase in payments for adopting e-prescribing for Medicare physicians is the "most significant long-term effect" of the bill (Mathews/Lueck, *Wall Street Journal*, 7/10).

The bill also includes a measure to expand Medicare payments for telehealth in hospital-based renal dialysis centers, skilled nursing facilities and community mental health centers ([Healthcare IT News](#), 7/10).

The bill now goes to President Bush ([Health Data Management](#), 7/10).

Reaction

"E-prescribing is a fundamental step toward modernizing our health care system," Sen. John Kerry (D-Mass.) said in a [written statement](#), adding, "It will save lives by reducing medical errors and save billions of dollars."

Kerry authored much of the bill's health IT language, which was based partly on health IT legislation he introduced last year (DoBias, [Modern Healthcare](#), 7/10).

In a joint statement, the co-CEOs of SureScripts-RxHub, J.P. Little and Rick Ratliff, said, "The potential impact of this legislation on the everyday lives of patients in the U.S. health care system cannot be overstated."

They added that lawmakers "are wisely applying the federal government's leverage as the nation's largest health care insurer to accelerate the adoption of e-prescribing" (SureScripts-RxHub [press release](#), 7/9).

In a statement, the Pharmaceutical Care Management Association said, "From a patient's perspective, e-prescribing is the most important issue in the Medicare bill because it saves lives and saves money." The group added, "This is a historic step forward for e-prescribing, as the new requirement in Medicare will now lead to broader adoption of overall health care IT" (PCMA [press release](#), 7/9).

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