• SGR Repeal and Replace Policy:
  o Repeals SGR
  o Ensures a 5-year period of annual updates of 0.5 percent each year
  o Improves existing fee-for-service system by rewarding value over volume
    ▪ Consolidates three existing quality programs into a streamlined and improved program that rewards providers who meet performance thresholds and improve care for seniors.
    ▪ Implements a process to improve payment accuracy for individual providers
    ▪ Incentivizes care coordination for patients with chronic care needs.
    ▪ Introduces physician-developed clinical care guidelines to reduce inappropriate care that can harm patients and results in wasteful spending.
    ▪ Requires development of quality measures and ensures close collaboration with physicians and other stakeholders regarding the measures used in the performance program.
  o Incentivizes movement to alternate payment models
    ▪ Provides 5 percent bonus to providers who receive a significant portion of their revenue from an alternate payment model (e.g., and ACO or patient centered medical home (PCMH)).
    ▪ Participants in APM payment program need to receive at least 25 percent of their Medicare revenue through an APM in 2018-2019; this threshold increases over time. There is an additional incentive for private-payer APMs.
    ▪ Establishes a Technical Advisory Committee to review and recommend physician-developed APMs based on criteria developed through an open comment process.
  o Expands the use of Medicare data for transparency and quality improvement
    ▪ Posts quality and utilization data on Physician Compare website to enable patients to make more informed decisions about their care
    ▪ Allows qualified clinical data registries to purchase claims data for purposes of quality improvement and patient safety

• Other Policy
  o Extends CHIP
  o Permanent funding of Medicare Qualifying Individual (QI) program, which helps low-income beneficiaries pay their Part B premiums
  o Typical Medicare and Medicaid extenders, such as paying for community hospitals, would be extended through FY 2017.

• Pay fors
  o Total cost: $213 billion. Approximately $70 billion paid for directly in an SGR repeal bill. Remaining offsets would be accounted for in budget resolution.
  o Increased Medicare Part B and Part D premiums for high-income individuals making over $133,000
  o Shift in when MA payments are made to plans
  o Medigap: Starting in 2020, for new enrollees, Medigap first-dollar coverage will be limited
  o Remainder (approximately $35 billion) comes from provider and hospital payments