

MedPAC Votes to Cut Payments to Specialists

BY FRANCES CORREA

FROM A MEETING OF THE MEDICARE PAYMENT ADVISORY COMMISSION

WASHINGTON – Expert members of the Medicare Payment Advisory Commission voted last month to present their Medicare physician pay fix plan to Congress, despite the objections of primary care and specialist physician organizations.

First presented at the commission's September meeting, the MedPAC recommendations aim to, among other things, avoid the looming almost-30% Medicare pay cut on Jan. 1 under the Sustainable Growth Rate (SGR) formula.

To do so, the commissioners advise freezing most Medicare payments to primary care physicians for 10 years and cutting specialists' payments by 17% over 3 years, followed by a freeze for 7 years more.

The recommendation passed by a vote of 15-2.

Physician organizations said the recommendations are a less-than-adequate alternative to the current system.

"The MedPAC proposal, we believe, will unintentionally undermine the goal of transitioning to new payment models aligned with value," said Shari Erickson, director of regulatory and insurer affairs for the American College of Physicians.

Ms. Erickson urged the committee to consider the SGR replacement proposal that ACP submitted in September to the Joint Select Committee on Deficit Reduction. Under the ACP proposal:

► The SGR would be repealed and physicians fees would be stabilized and set by statute during a 5-year transition period.

► A physician led initiative would work to decrease use of low-value services.

► Potential savings of \$500 billion to \$886 billion could be achieved via measures such as reducing defensive medicine, rewarding physicians for high-quality coordinated care, and allowing the government to negotiate prices of drugs paid by Medicare.

Neurologists argued against the plan's preferential treatment towards primary care.

"We object strenuously to recommendation number one that splits primary care from all other specialties without recognizing all of the actual treatment that physicians provide to patients," Michael Amery, legislative counsel to the American Academy of Neurology, said at the meeting. "Neurologists [that] treat people with Alzheimer's, ALS, Parkinson's, [and] epilepsy, often times become the primary care providers to those patients."

The American College of Cardiology also registered its displeasure.

"The proposal is not an acceptable or

sustainable solution to the SGR and does nothing to promote quality or resource stewardship," Dr. Jack Lewin, CEO of the, said in a statement. "Looming primary care shortages require focused solutions, we agree. But this proposal somewhat misaligns the interests of primary and specialty doctors, rather than focusing on incentives to work together to improve quality, efficiency, coordination of care, and outcomes."

In advance of the MedPAC meeting, a coalition of physician groups, led by the American Medical Association, wrote to commission Chairman Glenn Hackbarth urging that the commission not adopt

Commissioners advised freezing most Medicare payments to primary care physicians for 10 years and cutting specialists' payments by 17% over 3 years, followed by a 7-year freeze.

their proposed recommendations.

Instead, the physicians urged the commissioners to look at previous proposals put forth by groups such as the Congressional

Budget Office, the Simpson-Bowles Commission, and the Senate Gang of Six.

Dr. Ronald D. Castellanos, a MedPAC commissioner and a Florida urologist, said he considered it "extremely disturbing" that a nurse practitioner that he may hire could make more money from treating the same patients, simply because of codes. He added that he believes the cuts would push some doctors into early retirement and discourage medical school students from becoming physicians.

Commission member Dr. Karen Borman, a Pennsylvania surgeon, agreed. She warned her fellow commissioners not to create even more adverse consequences than already exist with the SGR.

Despite opposition from fellow members and physician groups, MedPAC chairman Glenn Hackbarth said an imperfect plan is better than nothing.

"If we have accomplished nothing else through this exercise other than to systematically work through it and make it clear to the Congress what the implications of that policy choice are, that's an important thing in its own right," Mr. Hackbarth said.

With a \$200 billion price tag, the MedPAC recommendations reduce the estimated cost of replacing the SGR by \$100 billion, according to a MedPAC staff document. Outside of pay cuts and freezes, the proposal would result in a 2% annual increase in federal spending per Medicare beneficiary, but is budget neutral based on a number of possible savings identified.

For example, the proposal outlines \$235 billion in possible savings from pharmaceuticals (\$75 billion), postacute care (\$49 billion), beneficiaries (\$33 billion), hospitals (\$26 billion), labs (\$21 billion), Medicare Advantage (\$12 billion), and durable medical equipment (\$14 billion). ■

Clinical Neurology News

President, IMNG Medical Media Alan J. Imhoff

Editor in Chief Mary Jo M. Dales

Executive Editors Denise Fulton, Kathy Scarbeck

Managing Editor Jeff Evans

Senior Editors Christina Chase, Kathryn DeMott, Lori Buckner Farmer, Catherine Hackett, Keith Haglund, Sally Koch Kubetin, Teresa Lassman, Mark S. Lesney, Jane Salodof MacNeil, Renée Matthews, Catherine Cooper Nellist, Amy Pfeiffer, Terry Rudd, Leanne Sullivan, Elizabeth Wood

Editorial Production Manager Carol Nicotera-Ward

Associate Editors Felicia Rosenblatt Black, Therese Borden, Lorinda Bullock, Jay C. Cherniak, Stephen Cimino, Richard Franki, Virginia Ingram-Wells, Jane Locastro, January W. Payne

Reporters *Chicago:* Patrice Wendling; *Denver:* Bruce Jancin; *Germany:* Jennie Smith; *Miami:* Damian McNamara; *Mid-Atlantic:* Michele G. Sullivan; *New England:* Diana Mahoney; *New York:* Mary Ellen Schneider; *Philadelphia:* Mitchel L. Zoler; *San Diego:* Doug Brunk; *San Francisco:* Sherry Boschert; *Washington:* Alicia Ault, Frances Correa, Elizabeth Mechcatie, Naseem S. Miller, Heidi Splete, Miriam E. Tucker, Kerri Wachter

Multimedia Producer Nick Piegari

Contributing Writers Christine Kilgore, Mary Ann Moon

Multimedia Intern Luis Mazariegos

Project Manager Susan D. Hite

Assignments Manager Megan Evans

Editorial Offices 5635 Fishers Lane, Suite 6000, Rockville, MD 20852, 877-524-9334, clinicalneurologynews@elsevier.com

Address Changes Fax change of address (with old mailing label) to 973-290-8245 or e-mail change to subs@elsevier.com

Director of Information Technology Doug Sullivan

Senior Systems Administrator Lee J. Unger

Systems Administrator/Application Support Peter Ayinde

Accounts Payable Coordinator Daniela Silva

CLINICAL NEUROLOGY NEWS is an independent newspaper that provides the practicing specialist with timely and relevant news and commentary about clinical developments in the field and about the impact of health care policy on the specialty and the physician's practice.

The ideas and opinions expressed in CLINICAL NEUROLOGY NEWS do not necessarily reflect those of the Publisher. International Medical News Group, LLC, an Elsevier company, will not assume responsibility for damages, loss, or claims of any kind arising from or related to the information contained in this publication, including any claims related to the products, drugs, or services mentioned herein.

Executive Director, Operations Jim Chicca

Director, Production/Manufacturing Yvonne Evans Struss

Production Manager Judi Sheffer

Production Specialists Maria Aquino, Anthony Draper, Rebecca Slebodnik

Creative Director Louise A. Koenig

Design Supervisor Elizabeth Byrne Lobdell

Senior Designers Sarah L.G. Breeden, Yenling Liu

Designer Lisa M. Marfori

Photo Editor Catherine Harrell

Web Production Engineer Jon Li

Web Production Specialist Jennifer Calhoun

Sales Director, IMNG Medical Media

Mark E. Altier, 973-290-8220, m.altier@elsevier.com

National Account Manager Aaron Wattenberg 973-290-8212, fax 973-290-8250 a.wattenberg@elsevier.com

Advertising Offices

60 Columbia Rd., Bldg. B, 2nd fl., Morristown, NJ 07960, 973-290-8200, fax 973-290-8250

Classified Sales Manager, IMNG Medical Media

Robert Zwick 973-290-8226, fax 973-290-8250, r.zwick@elsevier.com

Classified Advertising Manager

Andrea LaMonica, 800-381-0569, fax 914-381-0573, a.lamonica@elsevier.com

Classified Advertising Offices 1120 Jensen Ave., Mamaroneck, NY 10543

Reprints/Eprints

Contact Wright's Media 877-652-5295

Sr. Program Manager, Customized Programs

Malika Wicks

Audience Development Manager Barbara Cavallaro, 973-290-8253, b.cavallaro@elsevier.com

Manager, Marketing and Research Jennifer Eckert

Business Controller Dennis Quirk

Adv. Services Manager Joan Friedman

Credit Supervisor Patricia H. Ramsey

Manager, Administration/Conventions Lynne Kalish

Editorial Assistant Linda Wilson

POSTMASTER: Send changes of address (with old mailing label) to CLINICAL NEUROLOGY NEWS Circulation, 60 Columbia Rd., Bldg. B, 2nd fl., Morristown, NJ 07960.

CLINICAL NEUROLOGY NEWS (ISSN 1553-3212) is published monthly by IMNG Medical Media, LLC, an Elsevier company, 60 Columbia Rd., Bldg. B, 2nd fl., Morristown, NJ 07960, 973-290-8200, fax 973-290-8250. Subscription price is \$114.00 per year.

©Copyright 2011, by Elsevier Inc.



EDITORIAL ADVISORY BOARD

RICHARD J. CASELLI, M.D., Mayo Clinic Arizona, **MEDICAL EDITOR**

STUART B. BLACK, M.D., Baylor University Medical Center, Dallas

JEFFREY R. BUCHHALTER, M.D., PH.D., Phoenix Children's Hospital

JONATHAN L. CARTER, M.D., Mayo Clinic Arizona

JOSEPH F. DRAZKOWSKI, M.D., Mayo Clinic Arizona

MARK HALLETT, M.D., National Institutes of Health, Bethesda, Md.

SUSANNA HORVATH, M.D., Columbia Presbyterian Hospital, New York

MATTHEW J. HUENTELMAN, PH.D., Translational Genomics Research Institute, Phoenix

IRENE LITVAN, M.D., University of California, San Diego

KATHERINE H. NOE, M.D., PH.D., Mayo Clinic Arizona

ALYX B. PORTER, M.D., Mayo Clinic Arizona

MARWAN N. SABBAGH, M.D., Banner Sun Health Research Institute, Sun City, Ariz.

BENN E. SMITH, M.D., Mayo Clinic Arizona

RICHARD S. ZIMMERMAN, M.D., Mayo Clinic Arizona