

# Committee Proposes 2.8% Medicare Pay Hike

BY TODD ZWILLICH  
Contributing Writer

The committee advising Congress on Medicare payments has called for reimbursement increases for physicians and hospitals next year, but is proposing to slow the growth rate for hospital payments.

The Medicare Payment Advisory Commission (MedPAC) called for a 2.8% increase in payments to doctors, instead of the 4.6% cut required by law next year. Doctors narrowly dodged a similar cut in January when Congress repealed it in the budget bill.

MedPAC also recommended that hospitals get a 2.95% increase for treating Medicare's 42 million beneficiaries. That would pare back the projected growth in hospital payments by nearly half a percent. The commission noted that a slowdown was needed to help control the program's rising costs.

The proposal is in line with the White House fiscal 2007 budget, which calls for \$480 million in hospital payment cuts for 2007 as part of efforts to control entitlement spending. Hospitals have complained bitterly that they already lose money on Medicare, and that further cuts could drive some of them out of business.

But hospitals may have little to fear this year, according to several key members of Congress.

At a Capitol Hill hearing, Rep. Nancy L. Johnson (R-Conn.) said that half of hospitals already operate in the red on money from Medicare patients.

In an earlier interview, Rep. Johnson, who chairs the House Ways and Means subcommittee on health, said that President Bush's budget is likely to be "substantially rewritten" by Congress.

Congress approved \$6.4 billion in cuts to Medicare over 5 years in February. The White House budget called for \$36 billion more in cuts by 2011.

California Rep. F. Pete Stark, Rep. Johnson's Democratic counterpart, suggested that Congress will be unwilling to back any more significant changes to Medicare in an election year.

"They're not going to give the raises the doctors want and the hospitals aren't going to get cut as much as they think," he said in an interview.

Sen. Gordon H. Smith (R-Ore.) agreed. "It's very bleak for doing anything. In sessions that precede elections, it's all politics all the time," said Mr. Smith, a member of the Senate Finance Committee.

The American Medical Association praised MedPAC's call for higher physician payments. "If enacted by Congress, this new MedPAC recommendation will help

physicians continue to treat Medicare patients," AMA board member Dr. Duane Cady said in a statement.

But the group is likely to be less impressed by a renewed MedPAC recommendation that calls for a new committee to advise Medicare on the resource-based relative value scale (RBRVS) that sets reimbursement for medical services.

An AMA panel, which is known as the RVS update committee, currently makes recommendations on payment updates

for hundreds of treatment and diagnostic codes. But MedPAC chair Glenn Hackbarth told reporters that the physicians on the committee tend to counsel for increases and that MedPAC members want a new committee within the Centers for Medicare and Medicaid Services to review the AMA's work and to make "independent" recommendations on code values.

Mr. Hackbarth said MedPAC members worry that rising code values for some ser-

vices, particularly specialty care, are robbing resources from the primary care and preventive services that Medicare is now hoping to emphasize.

"It's been a concern of ours that the current process is skewed," he said.

If an additional expert panel is appointed to help identify services to be reviewed by the RVS update committee, "it should represent current practicing physicians," Dr. J. Edward Hill, the AMA president, said in a statement. ■

## EMERGING CONCEPTS IN ROSACEA MANAGEMENT

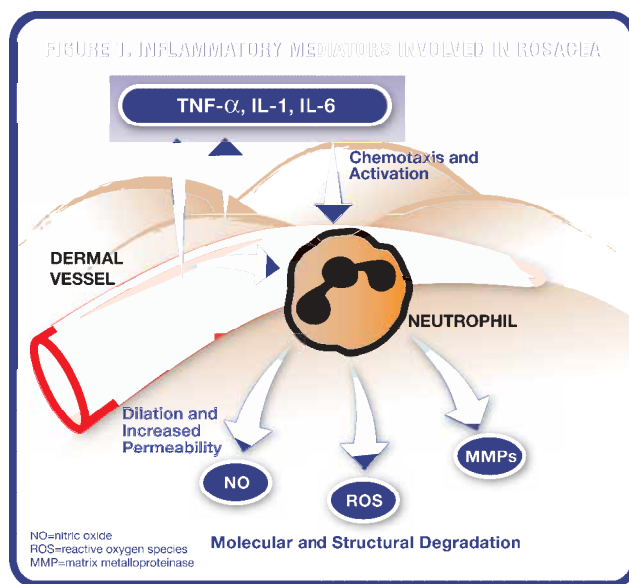
ADVERTORIAL

### CAN ORAL THERAPY FOR ROSACEA BE OPTIMIZED FOR ANTI-INFLAMMATORY EFFECT?

Certain oral antibiotics appear to diminish the inflammatory manifestations of rosacea.<sup>1,2</sup> This effect is most likely due to the intrinsic and surprisingly robust anti-inflammatory properties of these agents.<sup>1,2</sup> By contrast, the antimicrobial actions with which these drugs are more commonly associated may contribute to bacterial resistance and other use-limiting adverse effects.

#### ROSACEA IS A CHRONIC INFLAMMATORY DISORDER

While a definitive pathophysiologic mechanism for rosacea has not been established, many theories point to chronic inflammation as the common pathogenic factor.<sup>3</sup> The view that rosacea is an inflammatory, rather than an infectious, disorder is supported by histopathologic findings that include follicular and perivascular leukocytic infiltrates<sup>1,2</sup> and an absence of pathologic microflora.<sup>3</sup> This hypothesis is further reinforced by research demonstrating that the antibiotics effective against rosacea suppress a variety of inflammatory mediators thought to play a primary role in rosacea pathogenesis<sup>4</sup> (Figure 1).



#### ANTIMICROBIAL ACTIVITY LIMITS THE USE OF ORAL THERAPY

Despite the demonstrated clinical benefit of antibiotics in the treatment of rosacea, many dermatologists are apprehensive about prescribing prolonged courses of oral agents. Of particular concern are the potential for promoting the spread of antimicrobial resistance, alterations of normal microflora that permit the growth of opportunistic organisms (e.g., *Candida albicans*), and various class-based side effects. These drawbacks have largely restricted the use of systemic antibiotics to the periodic treatment of flares, even though the chronic inflammation associated with rosacea calls for the type of effective, long-term anti-inflammatory therapy at which these agents might potentially excel.

#### ISOLATION OF ANTI-INFLAMMATORY ACTION MAY BE POSSIBLE

It may be possible to modify the pharmacokinetics of systemic antibiotics in a way that isolates their anti-inflammatory properties from their antimicrobial properties. By maintaining plasma concentrations within a defined therapeutic window—high enough for anti-inflammatory effect, yet low enough to avoid antibacterial activity—one might be able to achieve inflammatory, but not microbial, suppression. A novel oral therapy with these characteristics could more precisely target the underlying pathophysiology of rosacea. Theoretically, such an agent could replicate the anti-inflammatory properties of established antibiotics, yet:

- Eliminate the selective pressure that encourages antimicrobial-resistant bacterial strains to emerge
- Leave normal populations of bacterial microflora intact
- Minimize other adverse effects often associated with the administration of oral antibiotics

An agent designed to deliver the beneficial anti-inflammatory actions of systemic antibiotics without the detrimental antimicrobial effects could be a valuable tool for long-term rosacea management.

#### References:

1. Jansen T, Plewig G. Rosacea: Classification and treatment. *J R Soc Med*. 1997;90(3):144-150.
2. Buechner SA. Rosacea: An update. *Dermatology*. 2005;210(2):100-108.
3. Millikan L. The proposed inflammatory pathophysiology of rosacea: Implications for treatment. *SKINmed*. 2003;2(1):43-47.
4. Attur MG, Dave MN, Mohandas N, et al. Regulation of inflammatory mediators by tetracyclines. In: Nelson M, Hillen W, Greenwald RA, eds. *Tetracyclines in Biology, Chemistry and Medicine*. Basel, Switzerland: Birkhäuser Verlag; 2001:295-310.

© 2006 CollaGenex Pharmaceuticals, Inc.