Policy & Practice

MedPAC: Give Doctors a 2% Hike

Medicare should increase physician payments by 2.7% in 2006 to keep pace with the cost of providing care, the Medicare Payment Advisory Commission recommended. Such an increase will help physicians continue to treat Medicare patients, John C. Nelson, M.D., president of the American Medical Association, said in a statement. "Unless Medicare payments keep up with the cost of providing care, there is a real concern that some physicians will be forced to stop taking new Medicare patients," he said. However, unless Congress fixes a flaw in Medicare's physician payment formula, doctors face a 5% cut next year and cumulative cuts of 30% thru 2012. Several MedPAC commissioners supported the idea of taking outpatient or Part B drugs from the formula, although the Government Accountability Office has warned that this solution would not prevent several years of declines in physician payments.

Fatigue and Driving Don't Mix

Tired residents on the road lead to more automobile accidents, according to a Web-based survey of 2,737 residents in their first postgraduate year (N. Engl. J. Med. 2005;352:125-34). Investigators found that in any month, each extended work shift increased the risk of any motor vehicle crash by 9% and increased the risk of a crash on the way home from work by more than 16%. Those who worked 5 or more extended shifts in a month were also more likely to fall asleep behind the wheel. "These results have implications for medical residency programs, which routinely schedule physicians to work more than 24 consecutive hours," the researchers said. The respondents had completed more than 17,000 monthly reports that provided detailed information about work hours, work shifts of an extended duration, documented motor vehicle crashes, near-miss accidents, and incidents involving involuntary sleeping.

Compensation for Vaccine Injuries

The National Vaccine Injury Compensation Program (VICP) will now cover injuries related to the hepatitis A vaccine. Hepatitis A is the most common type of hepatitis reported in the United States, and causes an estimated 125,000 to 200,000 cases per year. The vaccine is recommended for children in certain states and high-incidence communities, in addition to people with chronic diseases or those traveling to countries where the disease is common. Most people who receive the hepatitis A vaccine don't experience serious problems. However, those who believe they've been injured by the vaccine must file a claim within 3 years of the first symptom of the vaccine injury or within 2 years of the vaccine-related death, but not more than 4 years after the start of the first symptom of the vaccine-related injury from which the death occurred. Administered by the Health Resources and Services Administration, the VICP program provides financial compensation to eligible individuals thought to be injured by vaccines.

Feds Flunk on Tobacco Regulation

Congress and the White House got failing grades on tobacco control policies in 2004, the American Lung Association said in its annual State of Tobacco Control report. The House of Representatives, for example, blocked legislation to grant the Food and Drug Administration authority to regulate tobacco products. Although President Bush signed an international treaty that sets standards to control tobacco use and addiction, he has not sent it to the Senate for ratification, the lung association said. In contrast, a number of state and local governments have stepped up efforts to enact strong tobacco control policies, such as approving laws to protect people from secondhand smoke and increase cigarette taxes, the report stated. Several states and communities, including Idaho; Rhode Island; Columbus, Ohio; and Lexington, Ky., achieved smoke-free workplaces.

Delay in Plan B Spawns Lawsuit

An advocacy group is suing the FDA for delaying its decision on over-the-counter status for the emergency contraceptive Plan B (levonorgestrel). "Half of the 3 million pregnancies in the U.S. are unintended each year. By denying women over-the-counter access to a safe and effective drug that would significantly reduce those numbers—including pregnancies that end in abortion—the FDA is acting unlawfully," said Nancy Northrup, president of the Center for Reproductive Rights, which filed its suit in a New York district court. The FDA had been scheduled to issue a decision in late January on a second application for OTC status for Plan B by its manufacturer, Barr Pharmaceuticals. Steven Galson, M.D., acting director of the FDA's Center for Drug Evaluation and Research, had rejected Barr's initial request for over-the-counter marketing status last spring, citing a lack of sufficient evidence regarding the effects of OTC availability of emergency contraception in younger women. The FDA should be completing its review in the near future, Barr indicated in a statement. "The company remains optimistic that the agency will approve Plan B for OTC sale."

Clinical Trial Participation

Most Americans say that clinical research studies are safe for participants, according to a new nationwide survey. However, 57% said they would have greater trust in clinical research information if the results were made available on a public Web site or registry. The survey of 1,000 adults was conducted last December by The Center for Information and Study on Clinical Research Participation and Opinion Dynamics Corporation. "The public clearly plays a vital role in clinical research," said Richard Greif, project director for Opinion Dynamics.

—Jennifer Silverman

MedPAC: Physicians Ready For Pay for Performance

BY JENNIFER SILVERMAN
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WASHINGTON — Congress should establish a quality incentive payment policy for Medicare physicians, the Medicare Payment Advisory Commission recommended.

In light of the challenges facing Medicare, "nothing is more important" than distinguishing between providers based on performance, MedPAC Chairman Glenn Hackbarth said at a commission meeting. "Providers are not all created equal—there's abundant evidence that some providers do a better job than others. To continue to pay them as if they're all performing equally well is a tragic situation."

And that was just one of several of the commission's recommendations aimed at establishing a pay-for-performance system across health care channels, using information technology in Medicare initiatives to financially reward providers on the basis of quality. At press time, the recommendations were scheduled to appear in MedPAC's March report to Congress.

Smaller practices may not be ready to provide the clinical information needed for pay for performance.

DR. NELSON

"Physicians are ready for a pay-for-performance program," Karen Milgate, a MedPAC research director said at the meeting.

Those participating in such a program could use various facets of information technology to manage patients, such as registries to track patients and identify when they need certain preventive services, or systems for detecting drug interactions, Ms. Milgate said. These types of information have the potential to improve important aspects of care, and increase physician ability to assess and report on their care.

"Without information technology, it would be difficult for physicians to keep up with and apply the latest clinical science and appropriately track and follow up with patients," she said. "This is true for primary care and especially for patients with chronic conditions. But [it is] also true for surgeons and other specialists, to ensure follow-up after acute events and coordination with other settings of care."

Considering that it's the only information collected on physicians, Ms. Milgate noted that claims-based measures could be used to determine whether beneficiaries received appropriate follow-up care.

The claims-based process puts no burden on physicians and research shows it's widely available for a broad group of beneficiaries and physicians, she said. "However, the depth of information on each kind of physician is unclear and we do know that claims based measures are not available for every single type of physician."

Because these actions would redistribute resources already in the system, they would not affect spending relative to current law, although they may increase or lower payments for providers, depending on the quality of their care, she said.

Nicholas Wolter, M.D., a MedPAC commissioner from Billings, Mont., cautioned that physicians may be reluctant to embrace yet another change that would limit their revenue, after the sustainable growth rate. Pay for performance might be "another irritation, rather than an incentive."

Are all physicians equally ready for such a system? "I'm not sure," he added.

Smaller practices in particular may not be ready to provide the clinical information necessary for a mature pay for performance initiative, Alan Nelson, M.D., a commissioner representing the American College of Physicians, said in an interview. "However, the insistence of payers for incentives to promote quality is something that can't be ignored."

Although a differential payment system that rewards higher quality "is almost certainly in our future," Medicare should proceed with caution on this initiative, taking care to not increase the administrative burden—and always being aware of unintended consequences, Dr. Nelson said.

Most of these information technology developments "seem to apply more to primary care physicians than other specialties," observed commissioner William Scanlon, Ph.D., a health policy consultant from Oak Hill, Va. "The question is how we would differentiate the rewards for different specialties even on the structural measures.

He suggested that Congress create a project to test these rewards on an ongoing basis, to accumulate evidence that it was working effectively among the various specialties.

Mandating use of information technology could accelerate use, but "providers could find such a requirement to be overly burdensome," MedPAC analyst Chantal Worzala said. Such requirements could become appropriate as the health care market develops.

The panel also recommended that prescription claims data from Medicare's Part D program be available for assessing the quality of pharmaceutical and physician care. "Linking prescription data with physician claims could help identify a broader set of patients with certain conditions, and help determine whether they filled or refilled a prescription and received appropriate pharmaceutical care," Ms. Milgate said.

Rewards could also be given to providers who improve outcomes in care for their patients in other settings, such as physicians whose patients do better in hospitals, or home health agencies who manage their patients' care transition to nursing homes, MedPAC analyst Sharon Bee Cheng told commissioners. ■