AAN Seeks Change in SGR

Pay Cut *from page 1*

of care, without increasing medical costs," Herb B. Kuhn, director of CMS' Center for Medicare Management, wrote to the Medicare Payment Advisory Commission.

This year, the American Academy of Neurology (AAN) and other physician groups again say that they will urge Congress to stop the fee cut and repair the sustainable growth rate (SGR), which most blame for the continuing cuts.

If Medicare spending on physicians increases more than the SGR, CMS must cut physician fees; lower spending means higher rates for physicians.

But errors made in setting the SGR in 1998 and 1999 have led to annual proposed cutbacks and yearly congressional bailouts. Last year, for instance, medical organizations successfully lobbied Congress to block a proposed 4.4% cut for 2006, but because legislators did not increase fees, payments essentially were frozen at the 2005 rate.

The AAN recommends that the update be based on the Medical Economic Index, which measures annual practice cost increases. This would be a more equitable process for updating Medicare physician payments, according to the AAN.

At the very least, "the policy of including the cost of physician-administered drugs in the SGR be eliminated because these drugs are clearly not 'physician services' as defined by law," the AAN concluded in its written online statement.

"The best we, the AAN, can do is to continue to lobby Congress and be available for methodology input for determining physician payment updates," Dr. Laura B. Powers of the Knoxville (Tenn.) Neurology Clinic, and an AAN legislative affairs committee member, said in an interview.

"I think Congress agrees that it's not a fair system," Patrick Hope, legislative counsel for the American College of Physicians, said in an interview. ACP is not optimistic that the SGR will be addressed in 2006, an election year, Mr. Hope said.

Physician organizations said they will try to stop the cuts. Some also will continue to push for a system that would reward physicians with higher fees in exchange for more quality reporting, and tying physician fees to the Medicare Economic Index.

The bill introduced last year by Rep. Nancy Johnson (R-Conn.) is a good starting point for negotiations, Mr. Hope said.

The American Medical Association supported Rep. Johnson's bill, and also will urge Congress to stop the cuts, an AMA spokeswoman said.

In a statement, Dr. Duane Cady, AMA chair, said that the 2007 reduction "is just the tip of the iceberg." Over 9 years, the pay cuts will total 34%, while practice costs will increase 22%, Dr. Cady said.

An AMA survey found that over those years, 73% of physicians will defer buying new equipment and 65% will put off purchases of new information technology—at a time when practitioners are being asked to convert to electronic health records and collect more data on quality and health outcomes. "You can't expect doctors to move toward electronic health records facing that kind of hit," Mr. Hope agreed.

The fastest-growing components of physician services included imaging (16% growth), laboratory and other tests (11% growth), and procedures (9% growth), according to the CMS letter. Procedures accounted for 26% of Medicare spending, compared with 14% for imaging and 12% for laboratory and other tests.

An increase in evaluation and management services accounted for the largest portion of the 8.5% overall growth in physician services, but the growth rate—7%—was less than for the other services.

Dr. Cady said that it's not surprising that physician services are increasing, as patients are living longer with chronic conditions and more emphasis is being placed on preventive care. ■

DATA WATCH

Health Plans Voted the Best in 2005

Rank	Plan Name	State
1	Harvard Pilgrim Health Care	MA, ME
2	Harvard Pilgrim Health Care of New England	NH
3	Preferred Care	NY
4	Tufts Health Plan (HMO)/Tufts Health Plan (POS)	MA, NH, RI
5	Independent Health Association (HMO)	NY
6	ConnectiCare	CT
7	Care Choices (HMO)	MI
8	Blue Cross and Blue Shield of Massachusetts	MA
9	Capital District Physicians' Health Plan (HMO)	NY
10	Health Alliance Medical Plans	IL, IA

Notes: All plans are combined HMO/Point of Service (POS) plans, except where indicated. Audited data submitted by plans were ranked by access to care, overall member satisfaction, prevention, treatment, and customer service.

Sources: U.S. News & World Report, National Committee for Quality Assurance

Medical Students Shun Adult Neurology as Being Too 'Hard'

BY DOUG BRUNK
San Diego Bureau

SAN DIEGO — Medical students perceive the specialty of adult neurology as offering only limited treatment options, with poor patient outcomes. In addition, they find neuropathophysiology to be complicated and hard to understand, judging from the findings of a survey of 113 third-year medical students, only 2 of whom had settled on adult neurology as the specialty they planned to pursue.

"Also, [respondents] didn't feel there [would be] a lot of technological advances in the future of neurology," said Shara D. Steiner, reporting in a poster session at the annual meeting of the American Academy of Neurology.

Survey respondents rated the quality of their neurologic education as suboptimal in neurogenetics, neuropsychiatry, and the neurologic exam. "The didactic component of the first 2 years of medical school needs to be improved in the area of neurology, neuroscience, and neurophysiology," she said.

Overall, the most important factor that influences the attitudes of third-year medical students toward a career in adult neurology is the perceived quality of clinical neurology teaching. The second most important factor is the perceived knowledge, professionalism, and enthusiasm of neurology professors, said Ms. Steiner, a third-year medical student at Nova Southeastern University, Fort Lauderdale, Fla.

"Medical students will be most interested in becoming a neurologist if their education and their clinical experience really fosters a spark," she said in an interview.

The finding is important as the field seeks to attract junior medical students. "Every year there are residency spots in adult neurology that go unfilled," she noted.

For the study, 113 third-year medical students from seven medical schools were surveyed before the start of their neurology clerkship. A 45-item questionnaire developed by Ms. Steiner and her associates assessed the students' attitudes toward adult neurology and asked them to rank the factors that were most influential in their choosing or excluding the field as a career choice.

Respondents included medical students from the University of Miami, Tufts University, New York Medical College, Tulane University, Ross University, Nova Southeastern, and the New York College of Osteopathic Medicine. The mean age of respondents was 26 years, and 57% were male.

The most common intended career choices reported by respondents were pediatrics (14), a subspecialty (9), internal medicine (7), and family practice (5). Of the 113 students surveyed, 52 were undecided. ■

Feds Approve One Drug Assistance Program Redesign

BY MARY ELLEN SCHNEIDER
Senior Writer

The Health and Human Services Office of Inspector General recently gave the green light to a redesigned patient assistance program from the drug maker Schering-Plough Corp.

The Inspector General issued a special advisory bulletin cautioning drug makers that continuing their patient assistance programs for people enrolled in the Medicare Part D prescription drug benefit could put them at risk for violating the federal antikickback statute. But the bulletin outlined some designs that would allow Medicare beneficiaries to continue to receive drug assistance from the companies outside of the Part D benefit.

The new advisory opinion (no. 06-03) states that the OIG will not impose administrative sanctions on Schering-Plough based on the specific design of the program's two patient assistance plans, which offer free drugs to financially needy patients taking hepatitis or cancer drugs, and to such patients taking other outpatient prescription drugs. The advisory opinion does not apply to any other arrangements.

Under the redesign, Part D beneficiaries are eligible for free drugs if they meet the income requirements for the patient assistance plans and have already spent at least 3% of their household income on outpatient prescription drugs that coverage year. The free drugs do not count toward the beneficiary's true out-of-pocket costs and will not be billed to either the Part D plan or Medicare.

"[W]e conclude that the arrangement contains safeguards sufficient to ensure that the [patient assistance plans] operate entirely outside the Part D benefit, and, therefore, there is minimal risk of fraud and abuse under the Part D program," Lewis Morris, chief counsel to the OIG, wrote in the advisory opinion. ■

The OIG advisory opinion is available online at oig.hhs.gov/fraud/advisory opinions.html.

INDEX OF ADVERTISERS