Physician Advisers Urge CMS to Back Pay Revamp

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Contributing Writer

WASHINGTON — The failure to address low physician pay and looming reimbursement cuts in the Medicare program is starting to affect beneficiaries, members of Medicare's Practicing Physicians Advisory Council said at their recent meeting.

PPAC member Dr. Vincent J. Bufalino, a cardiologist from Naperville, Ill., offered an example to the council. "We have in our community the beginnings of physicians walking away from Medicare. Four of the busiest internists in town have said 'No' and ripped up their [Medicare] agreement," Dr. Bufalino said.

Although the Centers for Medicare and Medicaid Services tracks physician participation, such trends might not reveal the whole picture, he added. Half of the physicians in Dr. Bufalino's community are no longer accepting new Medicare patients, he said. Although the CMS still counts them as participating in the program, the trend is having a profound effect on beneficiaries' access to physician services.

"We don't think that participation rates, assignment rates, really reflect what is going on," Dr. Bufalino told CMS Deputy Administrator Leslie Norwalk.

The CMS has to rely on the numbers gathered by physician groups, she responded. "I suspect that the best way to go about this is probably at the state level where you would ask your state medical society to survey members and let us know what it is that you see. ...It may help inform the debate," Ms. Norwalk suggested, noting that administration officials are barred from telling people to lobby Congress.

Lawmakers will have to be the ones to make changes to the current mechanism for updating physician payments. Based on the sustained growth rate (SGR) formula, mandated by the Balanced Budget Act of 1997, physicians are currently slated for a 5.1% cut in reimbursement starting Jan. 1. In past years, Congress has averted cuts or given doctors a small raise.

PPAC members urged CMS officials to use what influence they have to encourage lawmakers to do so again based on the recommendation from the Medicare Payment Advisory Commission that physician pay be increased by 2.8% in 2007.

"If you look at the data from 2001 to 2007, physicians' costs are up 18%, yet Medicare payments are down 5%. ...Only physicians are subject to arbitrary spending cuts. Hospitals have had a 3.7% update; nursing homes, a 3.1%; [and] Medicare Advantage now gets 111% of the fee-for-service rate and is slated for another 4.8% increase," said PPAC member M. LeRoy Sprang, an ob.gyn. from Evanston, Ill.

Quality is an important part of the equation, said Dr. Tom Valuck, a medical officer at the CMS Center for Medicare Management. "We're not talking about arbitrary cost cutting for necessary services. We're talking about taking waste out of the system."

PPAC members asked CMS officials to keep in mind that as physicians strive to improve quality and lower costs, they should also be recognized for savings that may show up elsewhere, such as in reduced hospital spending due to more preventive screening or disease management services provided in doctors' offices. ■

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