



*Advising the Congress on Medicare issues*

# Assessing payment adequacy and updating payments: Physician and other health professional services

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# Background: The Medicare Physician Fee Schedule

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- In 2018
  - Medicare paid \$70.5 billion (17% of FFS spending)
  - Medicare paid 1.2 million clinicians for fee schedule services
- In 2021: No payment update in current law, but...
  - +/- 7% adjustment if clinician is in MIPS (plus “exceptional” performance bonus)
  - or
  - 5% incentive payment if clinician is in an A-APM (e.g., CPC+, 2-sided ACO)

# Beneficiaries' access to care is good

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- Most beneficiaries reported no problem obtaining a doctor's appointment or finding a new physician in 2019
- Beneficiaries' reported access was similar to, or better than, privately insured individuals ages 50-64 in 2019
- Number of clinicians billing Medicare FFS grew faster than the number of Medicare beneficiaries from 2013 to 2018
- Number of clinician encounters per beneficiary increased +1.5% from 2017 to 2018
- 99.6% of clinicians' FFS claims paid on assignment

Note: Data are preliminary and subject to change.

Sources: MedPAC analysis of MedPAC-sponsored phone survey, beneficiary focus groups, CMS's Medicare Current Beneficiary Survey, Medicare claims data, and Medicare Trustees report.

## Quality of care is mixed

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- CAHPS patient experience scores remained stable in 2018
  - Beneficiaries rated their health care quality 8.5 out of 10
  - Beneficiaries rated Medicare FFS program 8.3 out of 10
- Geographic variation in rates of ambulatory care sensitive hospitalizations and ED visits in 2018
  - Rates twice as high in some HSAs as others
  - Signals opportunities to improve

# Providers' payments and costs are both rising

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- Physician compensation continues to increase
- Medicare payments per beneficiary have increased
  - +2.3% from 2017 to 2018
- Private PPO rates were 135% of Medicare rates in 2018 (up slightly from 134% in 2017)
- Clinicians' input costs (MEI) are increasing
  - +1.7% in 2018 and 2019, +2.4% in 2020, +2.6% in 2021

# 1 million clinicians receive additional payments through MIPS adjustments or A-APM bonuses

