

MedPAC review of CMS letter on physician update

ISSUE: CMS's preliminary estimate of the 2008 payment update for physician services is -5.1 percent. However, when combined with the effect of the Tax Relief and Health Care Act of 2006 (TRHCA), CMS estimates the net change to the conversion factor from 2007 to 2008 to be -9.9 percent. MedPAC must review this estimate for the Commission's June 2007 report to the Congress.

KEY POINTS: In calculating the update, CMS used estimates which are consistent with recent trends. Even if the estimates change, the result of the update calculation is unlikely to change because of the growth in spending for physician services that has occurred in recent years.

ACTION: At this meeting, Commissioners will discuss a draft of MedPAC's review of CMS's preliminary estimate.

STAFF CONTACT: Cristina Boccuti (202-220-3705)