

Physician services: Assessing payment adequacy and updating payments

ISSUE: In the March 2008 report, MedPAC will address three questions concerning Medicare's payments for physician services: Are current payments adequate? How are providers' costs expected to change in 2009? How should payments for calendar year 2009 be updated?

KEY POINTS: We examine the following factors to determine whether Medicare payments for physician services are adequate:

- Beneficiary access to physician services
- Physician supply
- Volume of services
- Ambulatory care quality

We then examine how costs are likely to change in 2009 and present a draft update recommendation for 2009 (presented at the meeting).

ACTION: Commissioners should discuss the payment adequacy findings and the draft 2009 update recommendation.

STAFF CONTACT: John Richardson (202-220-3717) and Kevin Hayes (202-220-3716)