Advising the Congress on Medicare issues

Assessing payment adequacy: Physician services

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Overview

- Analysis of payment adequacy for physician services and expected cost changes
- Introduction of study on accuracy and equity of payment for physician services

Indicators for access to physician services

- Annual MedPAC telephone survey
  - Provides most current access data (Fall 2009)
  - Nationally representative sample of Medicare beneficiaries age 65+ and privately-insured persons age 50-64
  - This year, included oversample of nonwhite interviews
- Other national surveys of patient and physicians
- Beneficiary focus groups
- Physician focus groups

Most beneficiaries are able to get timely appointments

Among respondents seeking an appointment:

- Unwanted delay in getting a routine appt
  - "Never ": **77%** Medicare / **71%** privately insured
- Unwanted delay in getting an illness or injury appt
  - "Never ": **85%** Medicare / **79%** privately insured
- **Medicare beneficiaries (65 and older) are less likely than privately insured individuals (age 50-64) to report unwanted delays in getting appointments.**

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Most beneficiaries are able to find new physicians

- Few patients were looking for a new PCP
  - **6%** Medicare / **8%** privately insured
- Among those looking for a new PCP, respondents experienced:
  - "No problem": **78%** Medicare / **71%** privately insured
  - "Big problem": **12%** Medicare / **21%** privately insured
- Among those looking for a specialist, respondents experienced:
  - "No problem": **88%** Medicare / **84%** privately insured
- **Medicare beneficiaries (65 and older) are less likely than privately insured individuals (age 50-64) to report problems finding a new physician.**

Access to care for minorities

- Difficulties getting timely appointments are more likely for minorities than whites with both Medicare and private insurance.

  Unwanted delay in getting a routine appointment

  - Medicare "never": **78%** white / **72%** minority
  - Private insurance "never": **72%** white / **67%** minority

- *Among the small percentage of respondents looking for a new specialist*, minorities are more likely than whites to encounter access problems. No such difference was observed for those seeking a new PCP.

- **Although minorities experienced more access problems, those with Medicare experienced fewer problems compared with privately insured minorities.**

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Results from other patient surveys are analogous to MedPAC's survey

- **CAHPS-FFS, 2008**
  - 87% of beneficiaries: "always" or "usually" able to schedule timely appointments for routine care
- **Commonwealth Fund, 2007**
  - Medicare beneficiaries (65+) reported fewer access problems and greater satisfaction compared with privately insured individuals
- **Center for Studying Health System Change, 2007**
  - Medicare beneficiaries are less likely to report going without needed care or delaying care than privately insured individuals.
- **AARP, 2007**
  - Medicare beneficiaries (65+) reported fewer access problems and greater satisfaction compared with privately insured age 50 to 64

Physician surveys show that most physicians accept new Medicare patients

- **Center for Studying Health System Change, 2008**
  - Rate of physicians accepting "all" or "most" new patients:
    - Medicare: 74%
    - Private insurance: 87%
    - Medicaid: 53%
  - More likely to accept new patients, regardless of insurance type:
    - Medical and surgical specialists, group practices, rural practices
- **NAMCS, 2007**
  - 92% of physician accepting (at least some) new Medicare patients
    - 88% of primary care physicians; 94% of specialists
- **MedPAC, 2006 –** Similar results as HSC
- **AMA National Health Insurer Report Card, 2009**
  - Medicare performed similar or better than private insurers on claims processing measures (e.g., accuracy, transparency)

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Focus groups: Beneficiaries and physicians

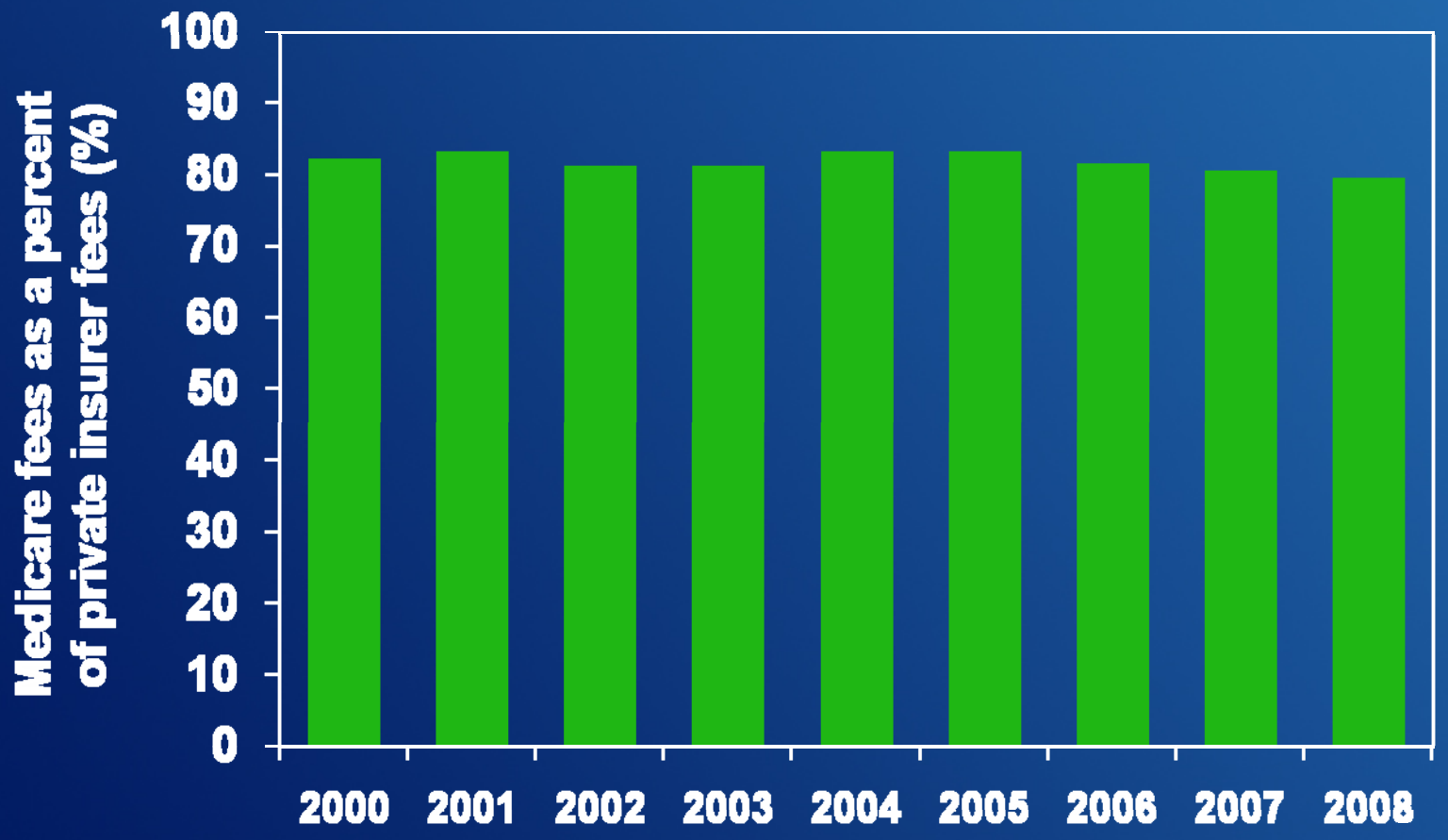
Beneficiary focus groups

- Most had long-established relationships with a physician or practice
- Most did not experience “unreasonable” waits to get an appointment
- Lower-income were more likely to encounter access problems
- Reported less hassles with Medicare compared with private insurance

Physician focus groups

- Most were accepting new Medicare patients
- Acceptance of private insurance varied by plan in each market area
- Would prefer higher payments from Medicare
- Liked Medicare’s predictability, lack of pre-approval process, treating elderly population

Ratio of Medicare to private payer physician fees is steady



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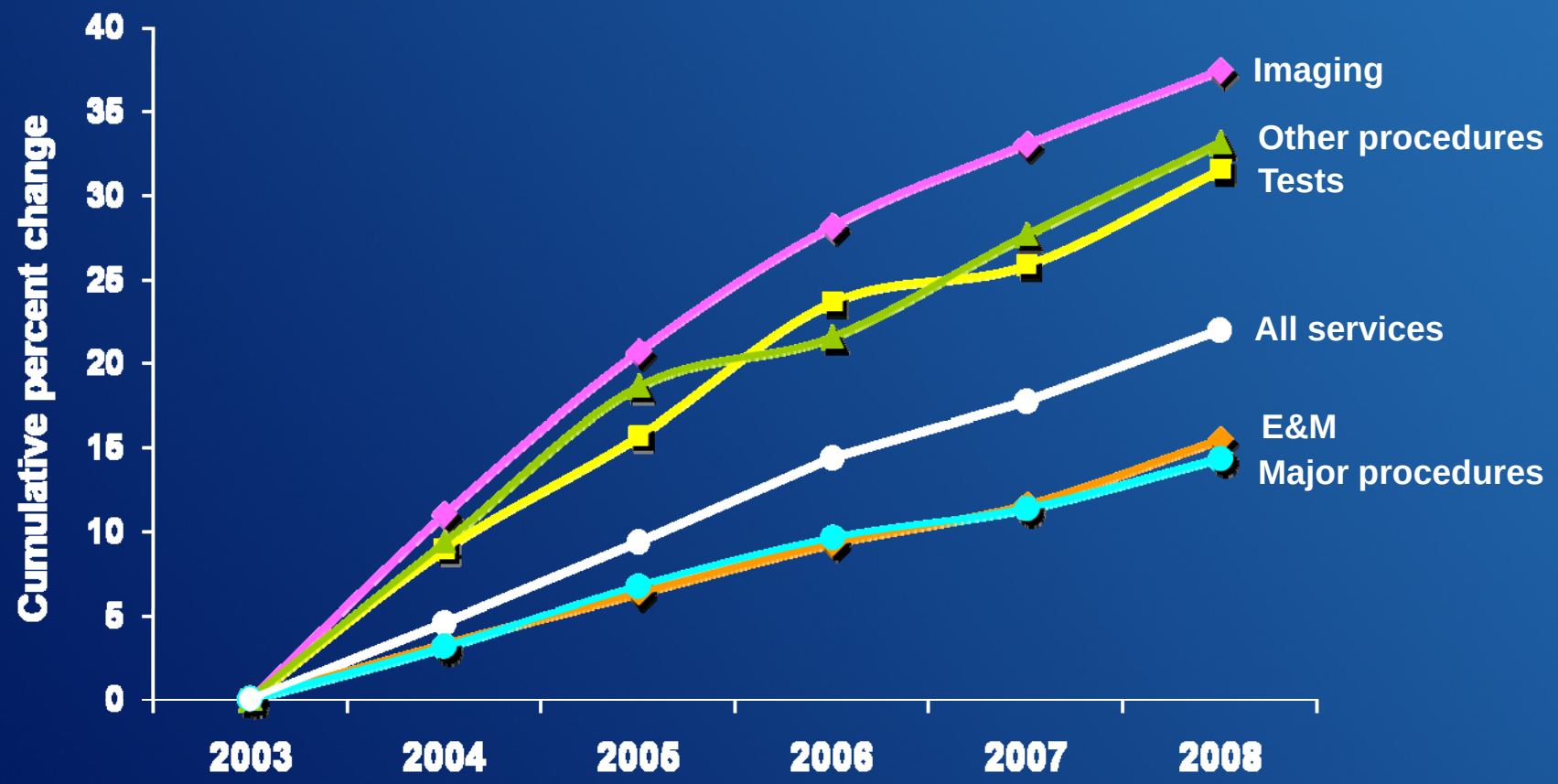
Source: Direct Research, LLC, for MedPAC for 2000-2004 data. MedPAC analysis for 2005-2008 data.

Volume of physician services per beneficiary continues to grow



Note: (E&M Evaluation and management).
Source: MedPAC analysis of claims data for 100 percent of Medicare beneficiaries.

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Most quality indicators were stable or improved from 2006 to 2008

	Number of indicators			
Indicators	**Improved**	**Stable**	**Worsened**	**Total**
ALL	**19**	**14**	**5**	**38**
Anemia	3	1	0	4
CAD	3	1	0	4
Cancer	0	3	4	7
CHF	7	1	0	8
COPD	1	0	1	2
Depression	0	1	0	1
Diabetes	4	3	0	7
Hypertension	0	1	0	1
Stroke	1	3	0	4

Source: MedPAC analysis of Medicare Ambulatory Care Indicators for the Elderly (MACIE) from the Medicare 5 percent Standard Analytic Files.

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Current forecast of cost changes expected for 2011

- Input price inflation: 2.1%
  - Physician work: 2.2%
  - Physician practice expense: 2.0%
- Medicare Economic Index: 0.9%

Re-print of MedPAC recommendation on primary care services (June 2008, March 2009)

Increase payments for FFS primary care services furnished by practitioners who focus on primary care.

- Budget neutral
- Primary care-focused practitioners:
  - Specialty designation is defined as primary care

    and/or
  - Those whose pattern of claims meets a minimum threshold of furnishing primary care services

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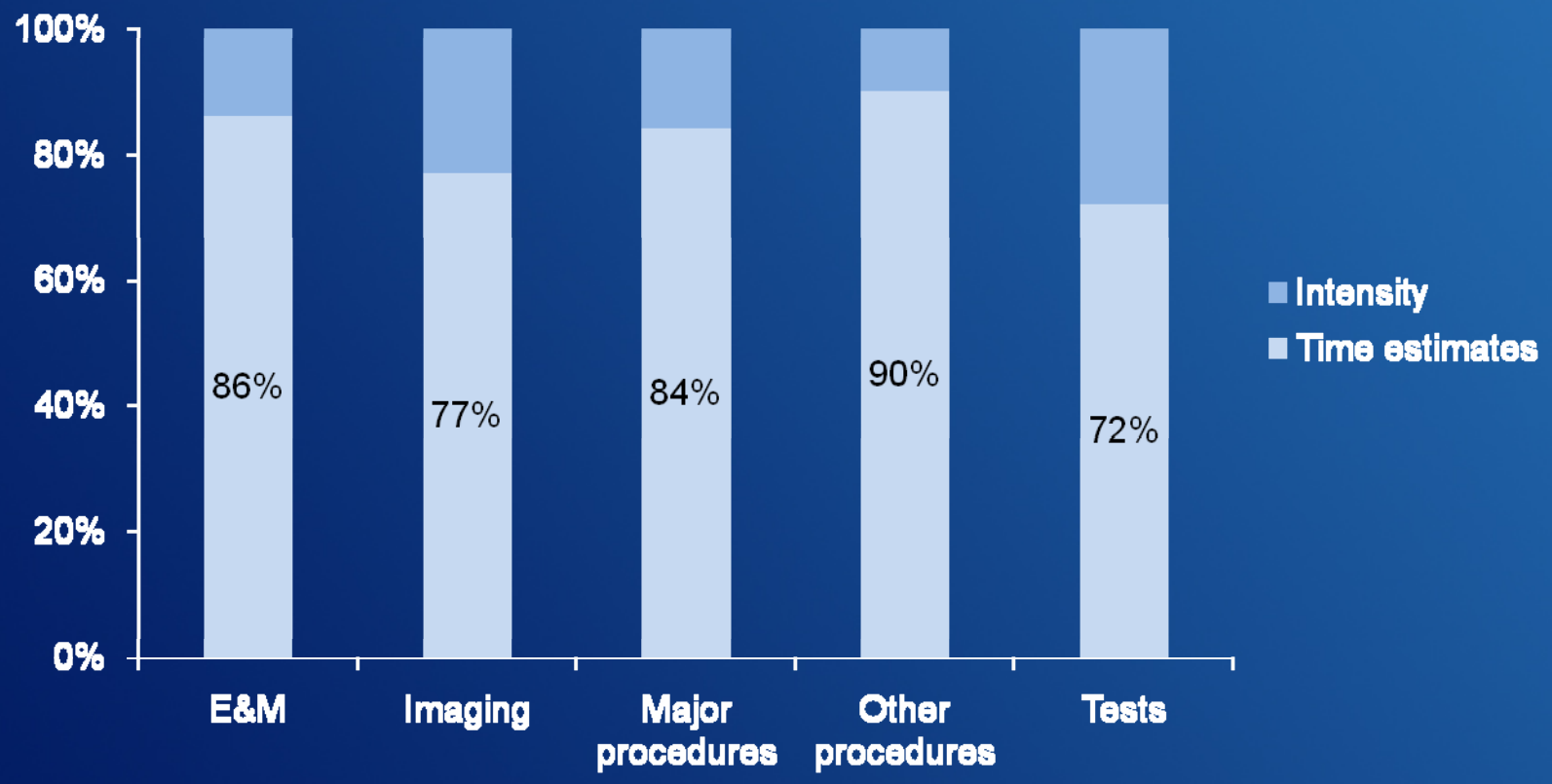
Accuracy and equity of payment for physician services

- October meeting: Issues on pricing physician services
- March report: To include discussion of these issues

Time estimates explain much variation in fee schedule's RVUs for physician work



Source: MedPAC analysis of 2010 time data and work RVUs from CMS.

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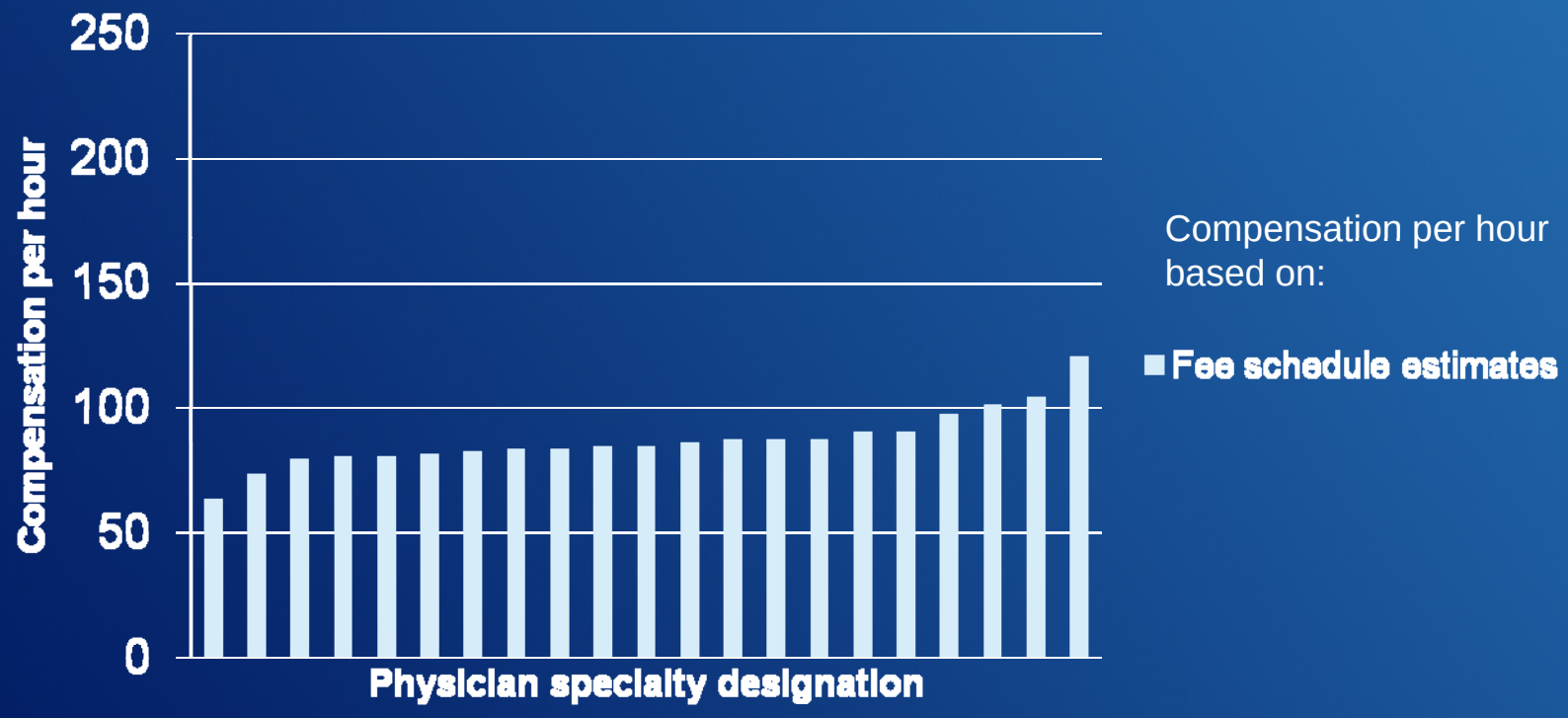
Compensation per hour based on fee schedule estimates of physician time



Source: MedPAC analysis of fee schedule time estimates, work RVUs, and utilization data for 2010.

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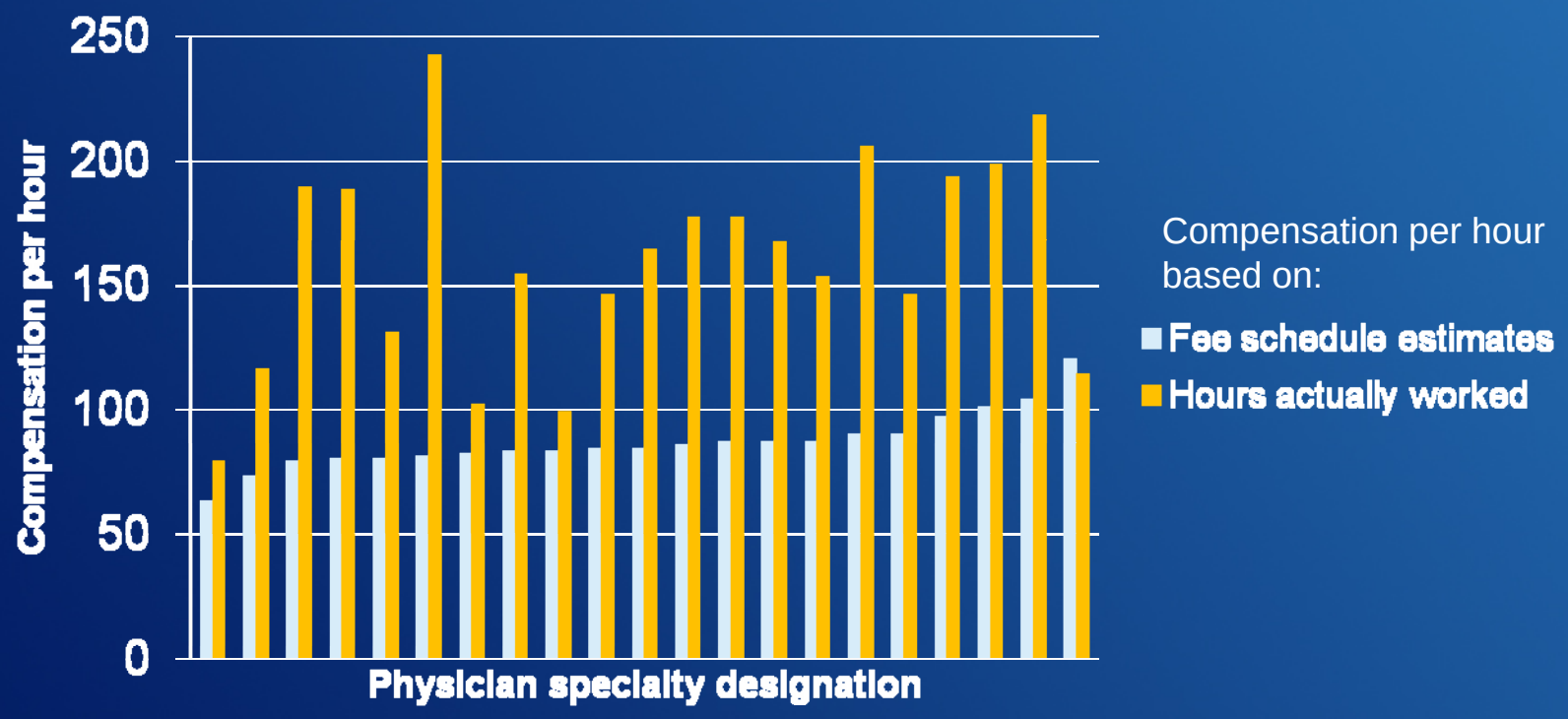
Disparities suggest errors in fee schedule's estimates of physician time



Source: MedPAC analysis of fee schedule time estimates, work RVUs, and utilization data for 2010; Urban Institute and MGMA analysis of 2007 Physician Compensation and Production Survey data.

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Significant variation in factors related to valuation of services

- Some physicians furnish a high volume of services
- Concentration of short duration services in some physician practices
- During a patient encounter, multiple services are often furnished together

Questions about the accuracy of the physician fee schedule's RVUs

- Are estimates of physician time accurate?
  - Volume of services per physician
  - Short duration services
  - Services furnished together
- How should the valuation process improve?