

## Principles for measuring physician resource use

**ISSUE:** In its March 2005 Report to the Congress, the Commission recommended that Medicare measure physician resource use and share the analysis with physicians in a confidential manner. The Congress implemented our recommendation in the recent Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). CMS has begun to explore how it will implement it. The Commission has also recommended that following two years of confidential feedback, the Congress should require the Secretary to make data on physician resource use public and use these data to adjust physician payment rates.

**KEY POINTS:** Medicare should measure physician resource use and provide feedback to encourage efficiency (defined both by resource use and quality) and discourage inefficiency. The measurement and feedback program has the greatest chance of achieving these outcomes if it is designed to maximize its effectiveness and adheres to principles, such as transparency and actionability.

**ACTION:** Commissioners should discuss principles for the MIPPA-mandated physician resource use measurement program.

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