Assessing payment adequacy and updating payments: physician, other health professional and ambulatory surgical center services

Kate Bloniarz, Kevin Hayes, Ariel Winter, Dan Zabinski

December 12, 2013

MEDPAC

Overview of presentation: physician and other health professionals

- Payment adequacy assessment
  - Access to care
  - Measures of financial performance
  - Ambulatory care quality measures
  - Volume growth
  - Note: Some measures TBD
- Commission's position on the SGR

Background: Physician and other health professional services in Medicare

- $69.6 billion in 2012, 12% of Medicare FFS spending
- 850,000 practitioners billed Medicare in 2012
  - 500,000 physicians
  - 350,000 nurse practitioners, physician assistants, therapists and other providers
- 98% of FFS Medicare beneficiaries received at least one fee-schedule service in 2012

MedPAC survey: Satisfaction with overall care in the past 12 months

	Medicare		Privately insured (age 50-64)	
Very satisfied	70%		60%	
Somewhat satisfied	18%	88%	23%	83%
Somewhat dissatisfied	3%		4%	
Very dissatisfied	1%		1%	

Note: Table excludes following responses: did not receive health care in past 12 months, don't know, refused. Data preliminary and subject to change.

Source: MedPAC-sponsored telephone survey, 2013.

MEDPAC

MedPAC survey: How long waiting for medical appointments

	Medicare	Privately insured (age 50-64)
Never had to wait longer than wanted for a regular or routine appointment	73%	69%
Never had to wait longer than wanted for an illness or injury appointment	82%	77%

Note: Data preliminary and subject to change.

Source: MedPAC-sponsored telephone survey, 2013.

MedPAC survey: Most beneficiaries do not face trouble finding new doctor

	Primary care doctor	Specialist
Looking for a new doctor	7.3%	14.3%
--No problem	5.2%	12.4%
--Small problem	0.8%	1.2%
--Big problem	1.3%	0.7%
Not looking for a new doctor	92.7%	85.7%

Note: Data preliminary and subject to change. Numbers may not sum to 100% because of rounding and missing responses.

Source: MedPAC-sponsored telephone survey, 2013.

MEDPAC

Other indicators

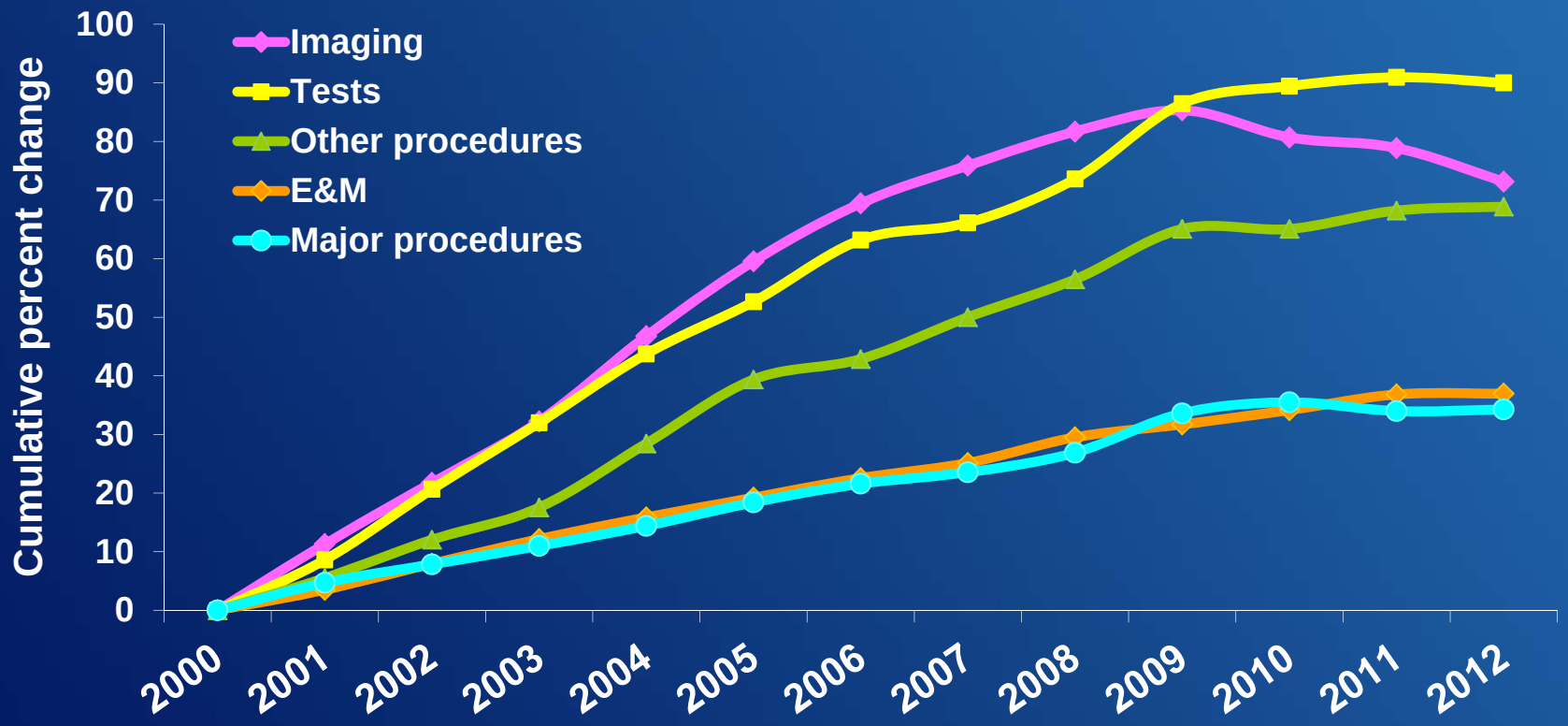
- Access
  - Other national surveys of beneficiaries and providers find similar results to MedPAC survey
- Medicare's payments
  - Ratio of Medicare to private PPO rates 81% for 2012, similar to 2011
- Quality
  - 33 out of 38 claims-based, ambulatory quality measures improved or were stable

Other indicators

- Rates of Medicare participation and assigned charges stable
  - 96% of practitioners were participating in 2012
  - 99% of allowed charges were paid on assignment
- Less than 1% of providers have “opted-out” of Medicare
  - Half of all providers who opt out are dentists or psychiatrists

Numbers are preliminary and subject to change

Growth in the volume of fee schedule services per beneficiary, 2000-2012



Note: (E&M Evaluation and management). Volume growth for E&M from 2009 to 2010 is not directly observable due to a change in payment policy for consultations. To compute cumulative volume growth for E&M through 2012, we used a growth rate for 2009 to 2010 of 1.85 percent, which is the average of the 2008 to 2009 growth rate of 1.7 percent and the 2010 to 2011 growth rate of 2.0 percent.
Source: MedPAC analysis of claims data for 100 percent of Medicare beneficiaries.

MEDPAC

Decrease in use of imaging

- Followed decade of rapid growth
  - increase per beneficiary from 2000 to 2009 totaled 85 percent
  - decrease per beneficiary from 2009 to 2012 about 7 percent
- Occurred amid concerns about appropriateness in medical literature and specialty societies (e.g., Choosing Wisely initiative)
- Includes shifts in site of care

Much of imaging decrease due to change in setting for cardiac imaging

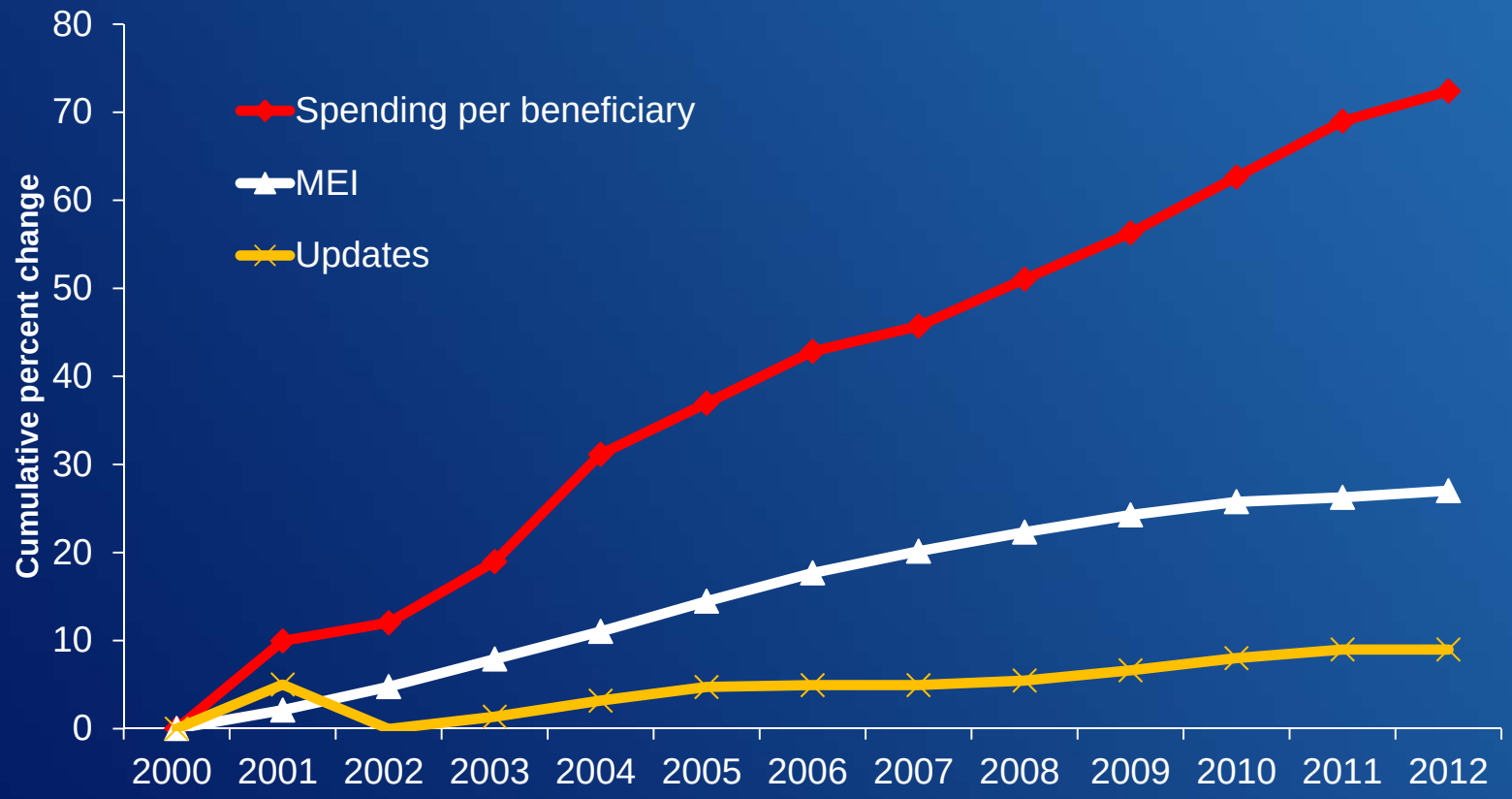
Change in cardiac imaging units of service per beneficiary, 2011-2012

	Hospital outpatient department	Professional office
Echocardiography	13.5%	−9.0%
Nuclear cardiology	9.4%	−15.9%

Note: APC (ambulatory patient classification). Echocardiography includes services in APCs 0269, 0270, and 0697. Nuclear cardiology includes services in APCs 0377 and 0398.

Source: MedPAC analysis of outpatient claims for 5 percent of Medicare beneficiaries and carrier claims data for 100 percent of Medicare beneficiaries.

Spending has grown faster than input prices or the updates



Note: MEI (Medicare Economic Index).
Source: 2013 trustees' report and Office of the Actuary 2013.

MEDPAC

Summary: Payment adequacy

- Payment adequacy indicators
  - Access and quality indicators are stable
  - Volume of services essentially unchanged
- In recent March reports, the Commission has recommended:
  - Repeal of SGR
  - Payment reforms
- Currently, the Congress is pursuing repeal

Repeal of the SGR is urgent

- Temporary overrides
  - Uncertainty for beneficiaries and practitioners
  - Administrative burden for CMS
  - Barrier to broad-based reform
- Cost of repeal has decreased

Principles for repeal

- Preserve beneficiary access
- Rebalance payments, primary care vs. other
- Encourage movement toward reformed delivery systems
- Recognize budget implications

Important facts about ASCs

- Medicare payments in 2012: $3.6 billion
- Beneficiaries served in 2012: 3.4 million
- Number of ASCs in 2012: 5,357
- Most ASCs have some degree of physician ownership

Numbers are preliminary and subject to change.

Benefits and concerns about ASCs relative to OPDs

- Benefits
  - Efficiencies for patients and physicians
  - Lower payment rates and cost sharing in ASCs vs. OPDs (OPD rates are 81% higher)
- Concerns
  - Evidence that physicians who own ASCs perform more procedures
  - Relative to OPD patients, ASC patients are less likely to be dual eligible, minority, under age 65, and age 85 or older.

Measures of payment adequacy

- Access to care
  - Capacity and supply of providers
  - Volume of services
- Access to capital
- Medicare payments
- No cost or quality data

Volume of services, number of ASCs, and Medicare payments have increased

	Avg annual increase, 2007-2011	Increase, 2011-2012
FFS beneficiaries served	1.5%	1.9%
Volume per FFS beneficiary	4.6%	1.7%
Number of ASCs	152 (2.5%)	66 (1.2%)
Medicare payments per FFS beneficiary	4.3%	4.3%

Numbers are preliminary and subject to change.
Source: MedPAC analysis of Medicare claims and Provider of Services file from CMS, 2007-2012.

MEDPAC

Access to capital has been adequate

- Positive growth in the number of ASCs (1.2% in 2012) indicates adequate access to capital
- Growth in new ASCs has slowed, perhaps due to
  - Widening gap between rates for ASCs and HOPDs
  - Increase in hospital employment of physicians

Collecting quality data from ASCs

Commission recommended that CMS collect quality data from ASCs and implement value-based purchasing program

- CMS began quality reporting program in 2012 but has not yet released quality data
- CMS does not have authority to adopt VBP program for ASCs

Summary of payment adequacy measures

- Access to ASC services continues to increase
  - Number of FFS beneficiaries served
  - Volume per FFS beneficiary
  - Number of ASCs
- Access to capital has been adequate
- Lack cost and quality data
  - Commission recommended that ASCs be required to submit cost data (2009-2013)
  - CMS does not collect cost data