

# Physicians agree Medicare reimbursement is flawed, disagree on how to reform it

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A national survey finds most physicians believe Medicare reimbursement is inequitable, but there appears to be little consensus regarding proposed reforms, according to a report in the October 25 issue of *Archives of Internal Medicine*.

"Across the political spectrum, there is general agreement that the cost of health care has risen to untenable levels and is threatening the future of Medicare and the economic well-being of the United States," the authors write as background information in the article. Clinicians account for one-fifth of [health care costs](#), but because their patterns of use drive other expenses, many proposals for reform have focused on clinician reimbursement as a target to promote cost savings while improving care. Strategies that have been proposed include financial bonuses for meeting quality standards, financial penalties for providing substandard care, bundling payments for episodes of care into a fixed amount and the promoting of accountable care organizations.

Alex D. Federman, M.D., M.P.H., of Mount Sinai School of Medicine, New York, and colleagues conducted a national survey of randomly selected physicians between June 25 and Oct. 31, 2009. Participants were asked whether, under the current Medicare reimbursement system, some procedures were reimbursed too highly and others at rates too low to cover costs. They then rated their support for several reform proposals.

Of 2,518 eligible physicians who received the survey, 1,222 (48.5

percent) responded. Four of five clinicians (78.4 percent) agreed that current [Medicare reimbursement](#) was inequitable. However, "there was little unity regarding support for physician payment reform proposals," they write.

Among the reform options, participants were most likely to support financial incentives for quality care (49.1 percent). "Actual experience with [financial incentives](#) to improve quality could have directly informed physicians' generally more positive views of these types of reimbursement mechanisms," the authors write.

Overall, 41.6 percent of participants supported shifting payments from procedures to management and counseling services, but there was even less consensus on this proposal. For instance, 66.5 percent of generalists supported it compared with 16.6 percent of surgeons. "As expected, those who conduct procedures were against it, and those who do more management and counseling were for it," they continue.

Most physicians from all specialties (69 percent) were opposed to bundling. Surgeons, who may have the most experience with this strategy, expressed the lowest level of support (15.2 percent). Conversely, most physicians (79.8 percent) supported increasing pay for generalists and only 13.3 percent opposed this strategy. However, few (39.1 percent) would agree to offset this increase with a 3 percent reduction in specialist reimbursement.

"Overall, physicians seem to be opposed to reforms that risk lowering their incomes," the authors conclude. "Thus, finding common ground among different specialties to reform physician reimbursement, reduce health care spending and improve health care quality will be difficult. Research that clarifies the tradeoffs physicians would be willing to accept in payment reform, and other concerns, may help refine the design of payment reforms and improve acceptance among physicians."

**More information:** *Arch Intern Med.* 2010;170[19]:1735-1742

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