

Internists express 'very substantial concerns' over MedPAC physician pay proposal

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"While ACP (the American College of Physicians) appreciates that MedPAC (Medicare Payment Advisory Commission) has put forward a comprehensive proposal to eliminate the SGR (sustainable growth rate) with the intent of protecting access to primary care for Medicare beneficiaries, we have very substantial concerns that preclude us from supporting it," Virginia L. Hood, MPPS, MPH, FACP, president of ACP, said today in a letter responding to a MedPAC proposal made last week. She noted that the comments provided in the letter are a constructive effort to develop a framework that would have ACP's full support.

Written on behalf of the 132,00 internal medical physicians and [medical student](#) members of ACP, the letter says that ACP is specifically concerned that the proposal will not adequately protect and ensure access to [primary care](#), while also reducing access to other essential physician services. The proposal also will work against MedPAC's goal - which ACP shares - of transitioning to new delivery and payment models aligned with value.

"Although elimination of the SGR is an essential step toward new payment and delivery models, it is only a step – and one that should be designed carefully so as not to result in having unintended consequences," Dr. Hood pointed out in the letter. "The College is concerned that the payment freezes and cuts outlined in the MedPAC recommendations will have a significant adverse effect on beneficiary access to care, and actually impede timely and effective implementation

of new physician payment models."

Dr. Hood noted that primary care physicians would actually experience a net loss under MedPAC's plan, because their payment updates would not keep pace with inflation, and ancillary services and possibly hospital visits by primary care physicians would be subject to a nearly 17 percent cut over the next three years. "We anticipate that with such reductions, more primary care physicians delivering primary care will leave practice," said Dr. Hood.

She also expressed concern that the nearly 17 percent cut for non-primary care physicians "could create significant access problems, without any evidence to justify that such a cut is merited, appropriate, or serves important policy goals. Such physicians would be cut no matter how efficient or inefficient they were, whether their specialty is facing a projected shortage, or whether they practice in a high or low cost area of the country."

"The MedPAC proposal will also unintentionally undermine the goal of transitioning to new payment models by denying primary [care physicians](#) the resources to redesign their practices and making it more difficult for subspecialists to invest in new models like the Patient-Centered Medical Home Neighborhood," she said.

In her letter, Dr. Hood said, "ACP recommends that MedPAC consider ACP's recommendations to the Energy and Commerce Committee regarding the stabilization of the SGR, including repealing the SGR and setting the annual update for primary care services at no less than 2 percent and no less than zero for other services over the next five years.

- Like MedPAC's proposal, ACP would provide a higher update for primary care services, but it would be set at a level that would

keep pace with inflation rather than freezing payments for the rest of the decade.

- By setting the update for all other physician services at no less than zero, the severe access problems and unintended adverse consequences - such as discouraging participation in new delivery models - which we believe would occur under the MedPAC proposal, would be reduced.
- During this time, new payment and delivery models aligned with value would be developed, pilot-tested and evaluated, and the most effective modes would be selected for broad implementation.

"ACP also urges MedPAC to consider the proposals we submitted to the Joint Select Committee on Deficit Reduction to finance repeal of the SGR and other critical priorities," the letter said. "For instance, a multi-stakeholder effort to encourage high value care and reduce low value care could yield tens of billions in savings each year out of the estimated \$700 billion spent annually on marginal, ineffective and wasteful care, which could be used at least in part to fund SGR repeal."

"Finally, ACP recognizes that MedPAC believes that physicians should contribute to deficit reduction, while helping to fund repeal of the SGR. We agree that physicians must contribute to lower health care spending and deficit reduction, by addressing the real cost-drivers. The medical profession must make a firm commitment to reduce marginal and ineffective care and to transition to new payment models aligned with value. Such an approach will address the real cost-drivers in medicine and make a significant and effective contribution to lowering overall health care spending," Dr. Hood concluded.

Provided by American College of Physicians

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