

Study: Less-experienced physicians more costly than more-experienced physicians

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Physicians with the least experience spend significantly more money treating patients than physicians who have the most experience, according to a new RAND Corporation study.

The findings, published in the November edition of the journal *Health Affairs*, are from the first study to examine the link between physician characteristics and <u>medical costs</u>.

Researchers say the findings could have significant implications for less-experienced physicians, who might be excluded from contracting networks or face lower payments as both <u>private insurers</u> and <u>government programs</u> look to reward <u>health care providers</u> who deliver <u>quality care</u> at a lower cost.

"These findings are provocative, but they warrant further examination and need to be affirmed by additional studies," said lead author Dr. Ateev Mehrotra, an associate professor at the University of Pittsburgh School of Medicine and a researcher at RAND, a nonprofit research organization. "However, it is possible that one driver of health care costs is that newly trained physicians practice a more-costly style of medicine."

Commercial health plans and Medicare are using cost profiles to identify which physicians account for more <u>health care spending</u> than others, while devising strategies to reward those who provide quality care at a lower cost.



To identify which physician types might be costlier than others, researchers used commercial <u>health plan</u> claims for more than 1 million Massachusetts residents from 2004 and 2005 to construct cost profiles for more than 12,000 physicians in the state. Costs were evaluated across 600 types of "episodes of care" that included a patient's illness and the severity of their disease, including whether a procedure was performed.

Physicians who had less than 10 years of experience had 13.2 percent higher overall costs than physicians with 40 or more years of experience. Physicians with 10 to 19 years of experience had cost profiles that were 10 percent higher, those with 20 to 29 years of experience were 6.5 percent higher and those with 30 to 39 years of experience were 2.5 percent higher.

No association was found between costs and other characteristics such as having had a malpractice claim or disciplinary action, whether a physician was board certified or the size of the medical practice where a physician worked. The study did not attempt to judge the quality of care provided.

Researchers say the cost difference noted by the study does not suggest that less-experienced physicians provide better medical care. Previous research has found only a weak relationship between quality and spending.

Because the use of cost profiles is relatively new and such tools are still being refined, researchers are cautious about the findings.

"Our findings cannot be considered final, but they do underscore the need to better understand physician practice patterns and what influences that behavior," Mehrotra said.

There are a number of factors that may explain the findings, researchers



say. Recently trained physicians may be more familiar with and more likely to use new, expensive treatment modalities than older physicians. In addition, it is possible that newer physicians' lack of experience and uncertainty translates into more-aggressive medical care. Less-experienced physicians also may attract patients with problems that are harder to address and the current cost profiling methods may not adequately account for these differences.

As newer physicians gain more experience and have longer relationships with their patients, their practice patterns may change and become less costly. However, it also is possible that the cost differences remain throughout the careers of the newly trained physicians.

Researchers say the study's findings highlight the need for postgraduate training programs and specialty medical boards to educate <u>physicians</u> about their responsibility to be good stewards of <u>health care</u> resources.

Provided by RAND Corporation

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