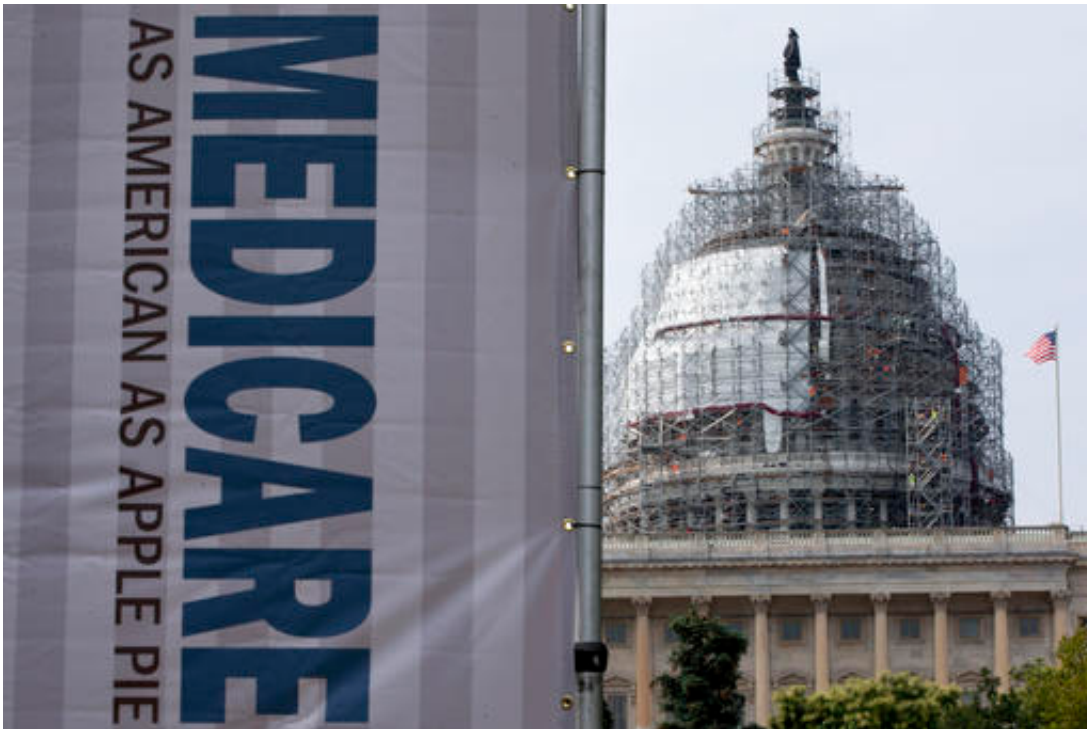


Medicare unveils far-reaching overhaul of doctors' pay

October 14 2016, by Ricardo Alonso-Zaldivar



In this July 30, 2015 file photo, a sign supporting Medicare is seen on Capitol Hill in Washington. Medicare on Friday, Oct. 14, 2016, unveiled a far-reaching overhaul of how it pays doctors and other clinicians. Compensation for medical professionals will start taking into account the quality of service, not just quantity. (AP Photo/Jacquelyn Martin, File)

Changing the way it does business, Medicare on Friday unveiled a far-reaching overhaul of how it pays doctors and other clinicians.

The goal is to reward quality, penalize poor performance, and avoid paying piecemeal for services. Whether it succeeds or fails, it's one of the biggest changes in Medicare's 50-year history.

The complex regulation is nearly 2,400 pages long and will take years to fully implement. It's meant to carry out bipartisan legislation passed by Congress and signed by President Barack Obama last year.

The concept of paying for quality has broad support, but the details have been a concern for some clinicians, who worry that the new system will force small practices and old-fashioned solo doctors to join big groups. Patients may soon start hearing about the changes from their physicians, but it's still too early to discern the impacts.

The Obama administration sought to calm concerns Friday. "Transforming something of this size is something we have focused on with great care," said Andy Slavitt, head of the federal Centers for Medicare and Medicaid Services.

Officials said they considered more than 4,000 formal comments and held meetings around the country attended by more than 100,000 people before issuing the final rule. It eases some timelines the administration initially proposed, and gives doctors more pathways for complying.

The American Medical Association said its first look suggests that the administration "has been responsive" to many concerns that doctors raised.

In Congress, staffers were poring over the details. Rep. Tom Price, R-Ga., who worries that Medicare's new direction could damage the doctor-patient relationship, said he's going to give the regulation "careful scrutiny." Sen. Orrin Hatch, R-Utah, chairman of a panel that oversees Medicare, called it an "important step forward," but said the

administration needs to keep listening to concerns.

MACRA, the Medicare Access and CHIP Reauthorization Act, creates two new payment systems, or tracks, for clinicians. It affects more than 600,000 doctors, nurse practitioners, physician assistants and therapists, a majority of clinicians billing Medicare. Medical practices must decide next year what track they will take.

Starting in 2019, clinicians can earn higher reimbursements if they learn new ways of doing business, joining a leading-edge track that's called Alternative Payment Models. That involves being willing to accept financial risk and reward for performance, reporting quality measures to the government, and using electronic medical records.

Medicare said some 70,000 to 120,000 clinicians are initially expected to take that more challenging path. Officials are hoping the number will quickly grow.

Most clinical practitioners—an estimated 590,000 to 640,000—will be in a second track called the Merit-Based Incentive Payment System. It features more modest financial risks and rewards, and accountability for quality, efficiency, use of electronic medical records, and self-improvement.

Finally, about 380,000 clinicians are expected to be exempt from the new systems because they don't see enough Medicare patients, or their billings do not reach a given threshold.

"Half of the physician practices under 10 (doctors) will not be reporting at all," said Slavitt. Initially more doctors would have been covered.

Advocates say the new system will improve quality and help check costs. But critics say complicated requirements could prove overwhelming.

The administration says some doctors will be pleasantly surprised to find out that reporting requirements have been streamlined to make them easier to meet.

With 57 million elderly and disabled beneficiaries, Medicare is the government's premier health insurance program. The Obama administration has also been working to overhaul payment for hospitals and private insurance plans that serve Medicare beneficiaries. The unifying theme is rewarding quality over volume.

While some quality improvements have already been noted, it's likely to take years to see if the new approaches can lead to major savings that help keep Medicare sustainable.

John Feore of the consulting firm Avalare Health said it appears many doctors are still unaware of the magnitude of the changes ahead.

"MACRA is a huge change in how physicians are paid, and there is a wide spectrum on whether they are ready," said Feore. "By providing some options and a transition over a year or two, the (administration's) intent is to allow them to get comfortable."

Medicare also launched a new website with interactive features aimed at educating doctors about the changes.

Medicare's previous congressionally mandated system for paying doctors proved unworkable. It called for automatic cuts when spending surpassed certain levels, and lawmakers routinely waived those reductions. MACRA was intended by lawmakers as a new beginning.

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