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Post-Election Update: Physician Medicare Reimbursement

You are listening to ReachMD, the Channel for Medical Professionals. Welcome to GI Insights where we cover the latest clinical issues, trends, and technologies in gastroenterological practice. GI Insights is brought to you by AGA institute and sponsored by Takeda Pharmaceuticals North America.

Your host for GI Insights is Professor of Medicine at University Of Illinois, Chicago, Dr. Jay Goldstein.

Changes are on the horizon for the White House and for Medicare where physicians continue to see their pay cut by Medicare and what else do physicians need to know about their approach to Medicare in the years to come. Joining us to discuss updates, new developments in reimbursement in Medicare is Dr. Carla Ginsburg, Assistant Clinical Professor of Medicine at Harvard Medical School and a Practicing Gastroenterologist in Newton, Massachusetts. Dr. Ginsburg is also the Private Practice Counselors on the Governing board of the AGA.

**DR. JAY GOLDSTEIN:**

Welcome Dr. Ginsburg.

**DR. CARLA GINSBURG:**

Thank you.

**DR. JAY GOLDSTEIN:**

Well, I want you to give us a little of historical prospective. Why over the past two years our physicians constantly dealing with Medicare cuts?

**DR. CARLA GINSBURG:**

To briefly summarize this, decrease reimbursements to doctors occurs automatically and really this is because of a flawed formula, which is called the SGR or the sustainable growth rate but that reduces Medicare payments to doctors whenever the growth in spending

of physician-related services exceeds the gross domestic product, so the culprit really is that there is a total expenditure target that's set by Medicare, and when total spending is above the target, reimbursement decreases and this really has been the case over the past 8 years. Its now working because there are many facts, which affects expending by doctors, which really are beyond our control, I mean such as aging population, changes in practices driven by tort reform, or mandated welcome to Medicare visits.

**DR. JAY GOLDSTEIN:**

What about technology?

**DR. CARLA GINSBURG:**

It takes definitely a new screening, changes in lots of new screening just like colonoscopies, I mean is a new screening as of you know within the past 5 years or so and technology driven, its true, all these factors are beyond our control, but there are not taking into account with the formula.

**DR. JAY GOLDSTEIN:**

Well, I know it is very hard to predict the future, but I am going to ask the question. What's going to happen to physician payments in 2009?

**DR. CARLA GINSBURG:**

Okay. Well, just to give you again a slight background, payment cuts were scheduled to occur in July 2008, July 1st actually, but on July 9th, the senate in a very bitterly part as an dispute passed, what they called the Medicare bill, and this bill actually canceled the payment cut that had been scheduled to occur at July 1st and really used the Medicare advantage program which is a major source of funding for the fix and while Bush rewrote the bill because it would reduce federal payments to the Medicare advantage plan. The House in Senate overwrote the veto and the 10.6% payment cuts was averted. That's when Senator Ken re-appeared in Congress, which you might have read about. This was all in July, so but now in 2009, this new Medicare bill provides an 18 months' remedy to the proposed cuts and we get now 1.1% increasing payments to all doctors in 2009, but actually gastroenterologist will receive 3% more and this includes really a 2% increase in practice expenses due to an application of a survey, which was provided by the AGA actually and some other societies. So we are actually going to get a 3%, but its thin, its in 18-month fix.

**DR. JAY GOLDSTEIN:**

Really at the end of 18-months?

**DR. CARLA GINSBURG:**

We have to go for another fix. I mean unless something changes, we will have a decrease to 5% and over the next 10 years, if things do not change, it will be 40% decrease in reimbursement.

**DR. JAY GOLDSTEIN:**

Are there other provisions in this Medicare bill that our listeners should know about?

**DR. CARLA GINSBURG:**

Ya. I mean there are about 3 basic other provisions. One is, it is going to extending the physician quality reporting initiative which is called the PQRI until January 01, 2011, and that increases our bonuses to 2% if we do this, and actually a PQRI fund has been created to set aside money to pay doctors for this and there is apparently 5 billion available to 2013. The other thing it provides is bonuses to those doctors who do e-prescribing between 2009 and 2011 and penalty once e-prescribing becomes mandatory, which it does in 2011 and also it requires facilities performing advanced diagnostic imaging services to be accredited by January 1st in order to be eligible for the technical component of the Medicare payment.

**DR. JAY GOLDSTEIN:**

Accredited by whom?

**DR. CARLA GINSBURG:**

By the government actually Medicare, the CMS.

**DR. JAY GOLDSTEIN:**

Well. It sounds to me like we are on a roller coaster, up and down.

**DR. CARLA GINSBURG:**

Yeah, and it's like I said over the past 8 years, we have been getting decreases, but there has always been a fix every year, so that we actually didn't see the decreases. It's always been either the same or may be a percentage increases or so, but it has been up and down for the past 8 years.

**DR. JAY GOLDSTEIN:**

Well, we don't live in a vacuum, so when are the factors actually are going to affect reimbursement in years to come?

**DR. CARLA GINSBURG:**

Sure. Well, besides for that flawed formula, there are other factors. Due to its shortage of primary care doctors and what's been called the crises in primary care, many are calling for a fundamental change in the way primary cares delivered in finance actually, and this new model, which you might have heard of, is called the Patient-Centered Medical Home and it links patients to a personal physician who provides improved communication and comprehensive care in a practice that actually has to qualify as a Medical Home and the problem is a revised reimbursement model based on 4 separate payments has been proposed for this and the possibility does exist that money to support this initiative will be taken away from the specialists, so that's the problem. In addition, the new reimbursement system for the ambulatory surgical centers with the ASCs ties ASC reimbursement to 65% of the Hospital Outpatient Department and this is a big drop for us. Since the new system must be budget neutral, the system is nearly a redistribution of funds away from specialties with higher payments, which we have had. So this is a decrease \_\_\_\_ as well.

**DR. JAY GOLDSTEIN:**

Lets review that for a second, the ASCs will get reduced reimbursement?

**DR. CARLA GINSBURG:**

Yeah, because ophthalmology and GI were getting maybe I think it was in the 80s of the Hospital Outpatient Department and because of this new reimbursement system for ASCs, now its going only to be 65% of the Hospital Outpatient Department and this has been starting to facing and I think it was this year already they are facing this since, so the people who have a fees are getting less now.

**DR. JAY GOLDSTEIN:**

And will be getting less in the future?

**DR. CARLA GINSBURG:**

Yes. Down, once it hits 65%, its going to be held at that via Hospital Outpatient Department, but it definitely is a decrease in payments for GI and Ophthalmology.

**DR. JAY GOLDSTEIN:**

That will significantly affect many of out practicing gastroenterologists.

**DR. CARLA GINSBURG:**

The HEI has actually been advocating to change this. We have been trying to change this, but it is hard because its just GI and Ophthalmology that really would like to have this changed and I don't it will be.

**DR. JAY GOLDSTEIN:**

Well, lets move a while for second here. You know, the elections were recently concluded, we have a new President Elect, what do you think are the key points of his new Medicare plan? How will it affect gastroenterologists?

**DR. CARLA GINSBURG:**

Well. President-elected Obama actually sees the Medicare physician payment system as really part of a larger problem and must be reformed along with part of a comprehensive health reform. He really does not want to just zero in on this one issue without bigger fixes. So his plan would require obviously greater transparency around quality and costs, and requiring providers actually to collect and publically report measures of healthcare costs and quality. I think that the healthcare analysts expect the new President and Congress to undertake really a sweeping overhaul of the healthcare industry, not very soon. I don't think it is expected because I think the more pressing needs of the economy make it unlikely that really big changes in healthcare can quickly make their way to the top of the agenda. I think many analysts expect Congress to take some steps to address the increasing costs of medical care and I think high on the list is covering more children under the \_\_\_\_ State children's health insurance program and I think however they might also try some relatively inexpensive other changes which would affect us like pushing harder for the adoption of electronic health records or requiring hospital and doctors to report publically both the costs and outcomes of their care and set up to enable patient to comparison shop. I think that's going to be big changes.

**DR. JAY GOLDSTEIN:**

If you just tuning in, you are listening to GI Insights on ReachMD XM160, the Channel for Medical Professionals. I am your host, Dr. Jay Goldstein, and joining me today to discuss an update on the newer developments in reimbursement in Medicare is Dr. Carla Ginsburg, Assistant Clinical Professor of Medicine at Harvard Medical School and a Practicing Gastroenterologist in Newton, Massachusetts. Dr. Ginsburg is also the Private Practice Counselor on the Governing board of the AGA.

Let me kind of summarize something here. Less reimbursement, more quality reporting, e-prescribing, e-medical records, each coming with a cost at lower reimbursement.

**DR. CARLA GINSBURG:**

Right, exactly.

**DR. JAY GOLDSTEIN:**

How does this workout financially for the gastroenterologist?

**DR. CARLA GINSBURG:**

Well, this doesn't look good, I mean if things don't change, there is going to continue to be temporary fixes by the government and decreases in physician reimbursement because as we said before and to the current formula, physicians, they are going to face cuts of probably more than 5% a year and between up to 2012, more than 40% over the next 8 years. I mean, I think the physician reimbursement is becoming more closely linked to quality measures and costs, and this is going to be a problem, and AGA actually and all of medicine has to advocate for the new administration to bring Medicare payment system reformed to the forefront and well actually over the past year, the Senate finance committee met with the AGA and other specialty organizations and they assured us that they

would address the funding mechanism more broadly in 2009, but that does remain to be seen.

**DR. JAY GOLDSTEIN:**

It's import to recognize the problem. It's more important to provide a solution to the problems. What does the AGA feel about how to solve the problem other than give us more money?

**DR. CARLA GINSBURG:**

There have been some solutions that have been suggested although they are very costly; I mean setting appropriate fees for physician services entails balancing the need to pay doctors enough to ensure patient access to care and the budgeting pressures created by the increasing healthcare costs. So, there have been some suggestions out there, one would be to appeal obviously this flawed formula and transition to a system at 6 different expenditure targets in 2010. Again, this is very costly. Another suggestion has been to repeal the formula and replace it with the system that takes into account the actual cost of providing care to medical patients and this is called what the Medicare Economic Index.

**DR. JAY GOLDSTEIN:**

I would like to thank my guest from Harvard Medical School, Dr. Carla Ginsburg:, who is in Private Practice and the Private Practice Counselor on the Governing Board of the AGA. Dr. Ginsburg, thank you very much for being our guest this week.

**DR. CARLA GINSBURG:**

Thank you. Thanks very much.

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