MedPAC: Doctors Ready For Pay for Performance

BY JENNIFER SILVERMAN
Associate Editor, Practice Trends

Washington — Congress should establish a quality incentive payment policy for Medicare physicians, the Medicare Payment Advisory Commission recommended.

In light of the challenges facing Medicare, “nothing is more important than distinguishing between providers based on performance,” MedPAC Chairman Glenn Hackbart said at a commission meeting. “There’s abundant evidence that some providers do a better job than others,” he said. “To continue to pay them as if they’re all performing equally well is a tragic situation.”

And that was just one of several of the commission’s recommendations aimed at establishing a pay-for-performance system across health care channels, using information technology in Medicare initiatives to financially reward providers on the basis of quality.

“Physicians are ready for a pay-for-performance program,” Karen Milgate, a MedPAC research director said at the meeting.

Those participating in such a program could use various facets of information technology to manage patients, such as registries to track patients and identify when they need certain preventive services, or systems for detecting drug interactions, Ms. Milgate said. These types of information have the potential to increase the ability of physicians to assess and report on patient care.

“Without information technology, it would be difficult for physicians to keep up with and apply the latest clinical science and appropriately track and follow up with patients,” she said. “This is true for primary care and especially for patients with chronic conditions, but it is also true for surgeons and other specialists, to ensure follow-up after acute events and coordination of other settings of care.”

Considering that it’s the only information collected on physicians, Ms. Milgate noted that claims-based measures could be used to determine whether beneficiaries received appropriate follow-up care.

The claims-based process puts no burden on physicians and research shows it’s widely available for a broad group of beneficiaries and physicians, she said.

“However, the depth of information on each kind of physician is unclear and we do know that claims based measures are not available for every single type of physician.” Because these actions would redistribute resources already in the system, they would not affect spending relative to current law, although they may increase or lower payments for providers, depending on the quality of their care, she said.

Nicholas Wolter, M.D., a MedPAC commissioner from Billings, Mont., cautioned that physicians may be reluctant to embrace yet another change that would limit their revenue, after the sustainable growth rate. Pay for performance might be “another irritation, rather than an incentive.”

Are all physicians equally ready for such a system? “I’m not sure that’s true,” he added.

Medicare Advantage Plans Targeting Special Groups

BY MARY ELLEN SCHNEIDER
Senior Writer

Washington — Medicare managed care plans, known as Medicare Advantage plans, can now design targeted health care plans, known as Medicare Advantage Special Groups, that group. Plans can’t just target the Medicare Advantage Group at CMS.

“Medicare Advantage plans, known as Medicare Advantage Special Groups, can now design targeted health care plans, known as Medicare Advantage Special Groups,” said Mark McClellan, M.D., administrator of the Medicare, which was designed to care for the Medicare Advantage Group at CMS.

CMS has issued interim guidance on special needs plans for “dual eligible” and institutionalized beneficiaries and is preparing a final regulation on the special needs plans, said Danielle Moon, director of the division of enrollment and eligibility policy at the CMS Center for Beneficiary Choices.

Under a provision in the 2003 Medicare Modernization Act, Medicare Advantage plans can limit enrollment to beneficiaries who are dually eligible for Medicare and Medicaid, or long-term institutionalized beneficiaries.

Already health plans are starting to take advantage of the new provisions, Dr. McClellan said at a meeting on Medicare and Medicaid sponsored by America’s Health Insurance Plans.

This new option is a key way for Medicare, which was designed to care for acute problems, to begin addressing the increasing needs of low-income and frail seniors, said Patricia Smith, director of the Medicare Advantage Group at CMS.

“It’s a baby step for the program, but it’s a very important one,” she said.

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