Doctors Don’t Agree on How to Reform Medicare Payment

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Physicians are dissatisfied with the current Medicare reimbursement system and want reform, yet they disagree on what type of reform they would be willing to accept.

“Most physicians believe that Medicare reimbursements are inequitable, and yet there is little consensus among them regarding major proposals to reform reimbursement,” Dr. Alex D. Federman and his colleagues from Mount Sinai School of Medicine, New York, said regarding their national survey of physicians’ opinions on reform, published in the Archives of Internal Medicine.

“Overall, physicians seem to be opposed to reforms that risk lowering their incomes. Thus, finding common ground among different specialties to reform physician reimbursement, reduce health care spending, and improve health care quality will be difficult,” the investigators noted.

The investigators surveyed physicians between June and October 2009 – at the height of the congressional debate on health reform. Of 2,518 physicians who received a version of the survey addressing reimbursement reform, 1,222 (49%) responded.

A total of 78% of respondents agreed that under Medicare some procedures are compensated too highly while others aren’t compensated enough to cover costs, according to the survey results. However, when asked about specific methods to reform Medicare payment, the physicians surveyed showed little agreement.

More than two-thirds of physicians said they opposed bundled payments, with surgeons – who have the most experience with bundling – expressing the lowest levels of support for this strategy (Arch. Intern. Med. 2010;170:1735-42).

“Because bundled payments are likely to not be compensated enough to cover costs, this mechanism ought to be carefully explained to physicians to promote broad acceptance and smooth implementation,” Dr. Federman and colleagues wrote.

While corresponding physicians said they supported financial incentives to improve quality, and “support for incentives was more common and more consistent across all specialties compared with shifting and bundling payments,” the investigators wrote. “Actual experience with financial incentives to improve quality could have directly informed physicians’ generally more positive views of these types of reimbursement mechanisms.”

Physicians disagreed on whether to shift some portion of payments from procedures to management and counseling, said those who conduct procedures saying they were against it and those who do more management and counseling coming out in favor of it, the study said. Still, about 17% of surgeons and 27% of physicians in other more procedurally oriented specialties said they supported such a shift, “indicating that under managed care, physicians are less likely to resist changing their immersion in surgery and more likely to support changing their immersion in surgery.”

“Physicians expressed a strong preference for maintaining compensation levels and expected a decrease in payments” (Arch. Intern. Med. 2010;170:1742-4).

“Payment reform will surely generate some provider backlash, and surely bundled payments will create tension between physician and other types of providers, among different specialties, and between primary care and specialist physicians,” he wrote.

“Moreover, the transition to new payment systems may not be easy, requiring considerable investment and organizational change.”

But failing to act could lead to worse consequences for physicians, he wrote.