Committee Proposes 2.8% Medicare Pay Hike

BY TODD ZWILLICH Contributing Writer

The committee advising Congress on Medicare payments has called for reimbursement increases for physicians and hospitals next year, but is proposing to slow the growth rate for hospital payments.

The Medicare Payment Advisory Commission (MedPAC) called for a 2.8% increase in payments to doctors, instead of the 4.6% cut required by law next year. Doctors narrowly dodged a similar cut in January when Congress repealed it in the budget bill.

MedPAC also recommended that hospitals get a 2.95% increase for treating Medicare’s 42 million beneficiaries. That would pare back the projected growth in hospital payments by nearly half a percent. The commission noted that a slowdown was needed to help control the program’s rising costs.

The proposal is in line with the White House fiscal 2007 budget, which calls for $480 million in hospital payment cuts for 2007 as part of efforts to control entitlement spending. Hospitals have complained bitterly that they already lose money on Medicare, and that further cuts could drive some of them out of business.

But hospitals may have little to fear this year, according to several key members of Congress.

At a Capitol Hill hearing, Rep. Nancy L. Johnson (R-Conn.) said that half of hospitals already operate in the red on money from Medicare patients.

In an earlier interview, Rep. Johnson, who chairs the House Ways and Means subcommittee on health, said that President Bush’s budget is likely to be “substantially rewritten” by Congress.

Congress approved $6.4 billion in cuts to Medicare over 5 years in February. The White House budget called for $36 billion more in cuts by 2011.

California Rep. F. Pete Stark, Rep. Johnson’s Democratic counterpart, suggested that Congress will be unwilling to back any more significant changes to Medicare in an election year.

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But the American Medical Association praised MedPAC’s call for higher physician payments. “If enacted by Congress, this new MedPAC recommendation will help physicians continue to treat Medicare patients,” AMA board member Dr. Duane Cady said in a statement.

But the group is likely to be less impressed by a renewed MedPAC recommendation that calls for a new committee to advise Medicare on the resource-based relative value scale (RBRVS) that sets reimbursement for medical services. An AMA panel, which is known as the RVS update committee, currently makes recommendations on payment updates for hundreds of treatment and diagnostic codes. But MedPAC chair Glenn Hackbarth told reporters that the physicians on the committee tend to counsel for increases and that MedPAC members want a new committee within the Centers for Medicare and Medicaid Services to review the AMA’s work and to make “independent” recommendations on code values.

Mr. Hackbarth said MedPAC members worry that raising code values for some services, particularly specialty care, are robbing resources from the primary care and preventive services that Medicare is now hoping to emphasize.

“It’s been a concern of ours that the current process is skewed,” he said.

If an additional expert panel is appointed to help identify services to be reviewed by the RVS update committee, “it should represent current practicing physicians,” Dr. J. Edward Hill, the AMA president, said in a statement.

EMERGING CONCEPTS IN ROSacea MANAGEMENT

CAN ORAL THERAPY FOR ROSacea BE OPTIMIZED FOR ANTI-INFLAMMATORY EFFECT?

Certain oral antibiotics appear to diminish the inflammatory manifestations of rosacea.2 This effect is most likely due to the intrinsically and surprisingly robust anti-inflammatory properties of these agents.5 By contrast, the antimicrobial actions with which these drugs are more commonly associated may contribute to bacterial resistance and other use-limiting adverse effects.

ROsacea IS A CHRONIC INFAMMATORY DISORDER

While a definitive pathophysiologic mechanism for rosacea has not been established, many theories point to chronic inflammation as the common pathogenic factor.2 The view that rosacea is an inflammatory, rather than an infectious, disorder is supported by histopathology, findings that include folliculitis and perivascular leukocytic infiltrates8 and an absence of pathologic microorganisms.9 This hypothesis is further reinforced by research demonstrating that the antibiotics effective against rosacea suppress a variety of inflammatory mediators thought to play a primary role in rosacea pathogenesis (Figure 1).