

Part B Insider (Multispecialty) Coding Alert

DOCTOR'S NOTES: Physician Payment Reforms Could Be on the Way

Don't panic! That's the message one prominent Washington law firm is sending physicians.

At press time, law firm **Powers Pyles Sutter & Verville's** Legislative Practice Group issued a rosy assessment of the chances for physicians to avoid a hefty 4.2 percent cut next year. The PPSV Washington Weekly Wire says the House Ways and Means Committee is considering both short-term and long-term changes to the formula for determining physician payments.

PPSV quotes Ways and Means Health Subcommittee Chair **Nancy Johnson** (R-Conn.) as saying May 7 that she "can guarantee" a reform to the formula for the next two years because of the low cost of such a change. The Ways and Means proposal would change the formula for 2004 and 2005, then likely phase out some of the factors that determine the sustainable growth rate such as the Gross Domestic Product, according to PPSV.

The Congressional Budget Office projects the cost of Johnson's provision at about \$34 billion over 10 years. The provision would be part of the Medicare prescription drug and overall reform legislation the committee plans to mark up soon.

If Congress fails to pass overall Medicare reform legislation, then there should be a consensus to seek "an alternative legislative vehicle" for fixing the physician payment problem, PPSV predicts.

1. Traditional Medicare could be phased out altogether within a decade under plans being developed by Rep. **Charlie Norwood** (R-Ga.). Instead of keeping the existing program as an alternative to private health plans, Norwood would turn Medicare into a purely private plan-focused program. Meanwhile, the Senate Committee on Aging heard from witnesses on May 6 about the main model for a competition-focused Medicare: the Federal Employees Health Benefit Plan.

So far, though, the Senate Finance and House Ways and Means committees don't seem inclined to start fresh with Medicare legislation along the lines of the president's proposal. Instead, both committees are modifying their existing proposals to include the administration's principles.

2. There are more physicians than ever, and they spend more time with patients, but more physicians say they're short of time to handle their caseload, says the **Center for Studying Health System Change**.

There were 276 physicians per 100,000 people in 2000, HSC reports, up from 260 in 1995. And in 2001, doctors spent 46.6 hours weekly in "direct patient care" as opposed to 44.7 hours in 1997 and 1999. But 34 percent of physicians said they lacked adequate time to spend with patients, up from 28 percent in 1997.