

Part B Insider (Multispecialty) Coding Alert

REIMBURSEMENT: Can A Lame Duck Save You From The Chopping Block?

Congress considers plan that would keep 5-percent cuts for some doctors

Forget pay-for-performance. One new plan in Congress would give you a choice between deep cuts or intrusive utilization review.

The **House Energy and Commerce Committee** is considering a few options for replacing the next few years-physician spending cuts, according to CongressDaily. But unlike past proposals, which would have offered **all** doctors at least a spending freeze, the Commerce plans could leave cuts in place for doctors who didn't play along with quality-improvement measures.

The stick: You could continue to receive cuts of between 2.5 percent and 5 percent for the next several years--unless you took part in local programs designed to improve your quality, according to the **Bureau of National Affairs**.

Not only that, but you could be forced to take part in -utilization management- programs. The programs would collect your claims data and then look for areas where you-re spending more than similar practices in your area. The programs-organizer, which could be a state medical society or local Quality Improvement Organization, would let you know if your utilization was -inappropriate,- so you could fix the problem. It's not clear if these programs would also share your -overutilization- with the carriers or **HHS Office of Inspector General**.

The carrot: The Commerce plan would give a pay freeze in 2007 and a 1-percent pay hike in 2008 and 2009 to doctors who take part in the quality and utilization management plans.

The House Energy and Commerce Health Subcommittee has scheduled a hearing on Medicare physician payment issues for the last week of September--right before Congress adjourns for the election season. Key players in Congress are still working to pass a fix before the adjournment, says **Richard Trachtman** with the **American College of Physicians**.

Otherwise, it would be up to December's lame-duck session of Congress. -The lame duck is a pretty dicey proposition,- notes Trachtman. -Everything gets to be tenous and unpredictable--especially if the Democrats retake one or both houses and don't want the outgoing Congress to make sweeping changes.

Imaging Could See Deeper Cuts Than E/M Visits

Even if Congress succeeds in scrapping the next few years- worth of physician pay cuts, it probably won't deal with the formula that keeps calling for cuts as far as the eye can see. That's why Congress asked the **Medicare Payments Advisory Commission** to consider long-term alternatives to the system. MedPAC must report to Congress on how to replace the formula by March 2007.

One possibility: Instead of having a single national target for physician spending, Congress could set separate targets for different types of services, including office visits, imaging scans or procedures. Before the current formula went into effect, Medicare set targets separately for surgery, primary care and -other non-surgical services,- commissioners noted at their Sept. 9 meeting.

This system would let Medicare target fast-growing services, instead of punishing all doctors for out-of-control growth in one area, commissioners noted. But if this system was in place now, all services would have been growing faster than the Gross Domestic Product (GDP). Evaluation & management services were the closest to GDP growth, and would have only received a 1-percent cut. Imaging scans and other tests would have been the fastest growing, slated for an 8.8-

percent cut.

Or Congress could adjust work relative value units (RVUs) to compensate for the fact that physicians are becoming more productive and able to perform procedures faster than in the past.

Another possibility: Congress could set targets for each geographic area based on national trends. The volume of physician services grew by only 9 percent in some areas, but as much as 37 percent in other regions. Congress could punish regions that have both high volume and high growth in volume, but not regions that started out with low volume and then grew quickly to catch up.