

## **Part B Insider (Multispecialty) Coding Alert**

### **Studies & Surveys: MedPAC Sees Physician Spending Growth Slowing**

Fewer physicians accepted all new Medicare patients in 2002, 70 percent of doctors compared with 76 percent in 1999, the Medicare Payment Advisory Commission says. The drop may indicate dissatisfaction with the program's low payments and red tape.

The latest MedPAC data book predicts physician spending growth will level off by 2012, which may encourage some policymakers to do away with the steep cuts Medicare predicts for the next few years. In spite of those cuts, Medicare physician spending will increase 4 percent per year from 2002 to 2007, MedPAC predicts. But the overall growth rate over the next decade will be a slightly lower, 2.9 percent. Spending will dip slightly in 2007.

Overall, physician spending per beneficiary will grow in real terms from \$814 in 1992 to \$1,483 in 2002.

Blame malpractice insurance and high-cost services for most of the increase - the professional liability insurance component of the Medicare Economic Index grew 11.3 percent in 2002, the sharpest rise in a decade. And spending on magnetic resonance imaging of parts of the body other than the brain increased 20.1 percent.