

Part B Insider (Multispecialty) Coding Alert

Studies & Surveys: No Easy Culprits For Skyrocketing Doc Costs, Report Says

Congress asked the **Medicare Payments Advisory Commission** to look into a couple of physician-related issues in 2003, and MedPAC finally responded. But the Commission's new reports may raise more questions than they answer.

Congress asked MedPAC to study trends in spending for physician services, drugs and lab services. MedPAC said despite the sharp rise in drug spending, direct physician services were the main driver of explosive spending growth by the Part B carriers.

MedPAC said it was difficult to say whether the breakneck increase in spending had improved patients' outcomes at all. But the Commission noted some studies showing that spending more money often didn't lead to better outcomes, and pointed out that there may be "some waste that can be eliminated."

Congress also asked MedPAC to look at how Medicare physician spending compares to other payors'. But MedPAC said the available data don't allow it to compare volume growth in Medicare and other populations. And Congress wanted to know how much new technology and Medicare coverage decisions had boosted spending. But these factors didn't appear to cause much of the increase, MedPAC said: New codes only accounted for 0.33 percent of total spending on physician services each year. And National Coverage Decisions didn't tend to introduce new services to Medicare. In many cases, NCDs made coverage stricter.

Another culprit that Congress wanted MedPAC to finger: demographic changes. But MedPAC said the aging of the general population and other factors had no noticeable effect on spending.

Finally, Congress wanted to know whether the fact that some procedures had shifted from facilities to doctors' offices had increased their costs. This migration contributed a "small positive effect" on the growth in physician expenditures, MedPAC said.

Separately, MedPAC reported on assistants to cardiothoracic surgeons. When a surgeon brings his or her own staff to the hospital to assist in a procedure, Medicare won't pay the costs of these physician employees.

If surgeons hoped for a sympathetic report, they'll be disappointed. The Commission said that some of the time, these support staff may be non-physician practitioners, eligible to bill under their own numbers. Also, hospitals reimburse the surgeon for the cost of these employees roughly 19 percent of the time, according to an **HHS Office of Inspector General Survey**. When neither of these funding sources are available, the surgeon may still derive indirect savings.

The Commission said altering RVUs to fix this problem could be more trouble than it's worth, and could lead to double reimbursement for the same services.