

Healthcare Reform

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Whether we like it or not, healthcare reform is at the top of the agenda for the new administration and Congress has adopted an aggressive timetable to consider healthcare reform legislation. As events unfold, dermatologists cannot afford to simply sit on the sidelines and watch. All dermatologists should seek to learn more about the major elements of proposed legislation as well as the steps that the American Academy of Dermatology and state societies are taking to ensure continued access to care for patients with skin disease and to ensure that we are not marginalized from mainstream medicine. Dermatologists can contribute individually at a national, state, and local level, as well as through membership in the American Academy of Dermatology, the Dermatology Advocacy Network, SkinPAC, and the American Medical Association.

A major concern remains the pace of change. Mistakes will be made if there is a rush to deliver healthcare reform legislation too quickly and if there is too much emphasis on cost containment rather than quality. Major issues to be resolved include how changes in healthcare should be funded, if incremental change is sufficient, and how the economic crisis and stimulus package fit into the equation.¹⁻³ Physicians should not be idle spectators but should be actively involved in the discussions.⁴

It is likely that the Senate Finance Committee will remain a major driving force in healthcare reform legislation, and Senator Max Baucus' white paper on healthcare reform should be required reading for every dermatologist who wants to know what key legislators are reading.⁵ The discussion below is a quick summary of some of the hot topics being discussed on Capitol Hill.

The Future of Fee-for-service Reimbursement

Fee-for-service payments have been the predominant model of healthcare payment in the United States. Most proposed healthcare reform legislation would retain fee-for-service reimbursement,

though it is likely to become a smaller portion of the average physician's total compensation. Proposed legislation includes emphasis on quality measurement with a push for quality measures that distinguish among physicians and align incentives with outcomes. We are all aware of the problems encountered by those physicians who voluntarily participated in the Physician Quality Reporting Initiative (PQRI). The Baucus proposal expands the PQRI program but also establishes a requirement for timely feedback to physicians over the course of a reporting period as well as an appeals process.⁵ To be acceptable to physicians, quality reporting initiatives will have to be transparent and not place an undue burden on physicians who are already struggling to meet the demands of patient care as workforce shortages grow. Dermatologists' practices are mostly solo and small group practices. The cost of investing in health information technology is substantial, and many of us have been cautious about investing in electronic health records until issues of standardization and interoperability have been addressed. We treat more than 3000 different skin disorders and our practices range from largely cognitive to heavily procedural. In short, the diversity of our practices does not lend itself to simple performance measurement. This may become a problem if reimbursement shifts to quality measurement and reporting. It is already a problem for dermatologists who face physician tiering with higher co-pays for their patients if they have no meaningful measures to report. We are better off with nationally accepted measures developed by physicians than with a dizzying array of measures developed by each individual payer. Another option outlined in the Baucus plan is to give PQRI credit to physicians who participate in a maintenance of certification program.⁵

Sustainable Growth Rate

The sustainable growth rate formula used to calculate Medicare reimbursement rates for physicians is seriously flawed. Positive updates to physician payment have been carried as a growing debt and the situation is not sustainable. The sustainable growth

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The author reports no conflict of interest.

rate should be replaced with a system that reflects actual increases in physicians' practice costs. It is unclear whether there is currently the political will in Congress that will be needed to accomplish this goal.

Payment for Cognitive Versus Procedural Services

In the last 5-year review by the American Medical Association/Specialty Society Relative Value Scale Update Committee, we witnessed a shift of payment from procedural to evaluation and management codes.⁶ A continued trend to increased Medicare payments for primary care physicians together with budget-neutral funding proposals could have a decidedly negative impact on reimbursement for specialty care.

Accountable Care Organizations

Proposed legislation suggests that accountable care organizations (ACOs) could provide a framework for coordination of patient care and performance improvement for physicians in solo and small group practices similar to what integrated health-care systems such as Kaiser and Geisinger have established.⁵ These integrated systems are being discussed nationally as models for care coordination for patients with multiple comorbidities to enhance communication between physicians and ensure compliance with posthospital care to prevent readmissions. We are likely to hear much more about ACOs in the coming months. A major risk of poorly crafted legislation would be the potential burden on solo practitioners and small group practices if they have to enter into multiple contracts with a variety of ACOs to continue to serve their current patients. Physician participation in ACOs should be voluntary and nonpunitive, and should not restrict the patient's choice of provider.

Promoting Healthy Lifestyles and Addressing Social Determinants of Health

The key to a sustainable healthcare system is not rationed healthcare or limited access to specialists but rather improvement in the nation's health and more efficient delivery of care.⁵ Dermatologists provide almost all of their care, including surgical procedures, in an outpatient setting. It is a desirable and efficient model of care compared to hospitalization and inpatient surgery. Emphasis should be placed on outpatient models of care that are cost-effective. There also should be an emphasis on smoking cessation and other changes in lifestyle that will decrease health-care expenditure. National programs to reduce obesity, reduce alcohol and drug abuse, improve prenatal care, and encourage immunizations have tremendous potential to reduce what we spend on healthcare. If Americans are encouraged to live healthier lifestyles, the cost of healthcare will drop dramatically and we will live longer, better, and more productive lives.

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