MedPAC Seeks to Boost Primary Care Payments

BY ALICIA AULT Associate Editor, Practice Trends

WASHINGTON — Saying that primary care is undervalued, the Medicare Payment Advisory Commission might recommend that Congress increase payment for primary care and pilot test a medical home program.

MedPAC met in March to discuss various issues affecting cost, access, and quality of the Medicare program. At that

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meeting, a majority of the 16 commissioners present supported three draft recommendations to adjust the Medicare fee schedule upward for primary care and to start a medical home pilot.

If a majority supports the final recommendations at the commission's next meeting, they will be included in Med-PAC's subsequent report to Congress, due in June.

More than most people in the United States, Medicare beneficiaries rely on pri-

mary care physicians, said MedPAC staff member Christina Boccuti at the March meeting. Primary care has proven to be more efficient and less costly, noted Ms. Boccuti.

Thus, the federal health program should find a way to encourage use of primary care and to reward primary care physicians, especially because the field is becoming less attractive, with fewer medical school graduates seeking family practice or primary care residencies, and more internists

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- ACOG Practice Bulletin, Clinical management guidelines for obstetrician-gynecologists. Number 61, April 2005. Human Papillomavirus. Obstet Gynecol. 2005;105:905-918.
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choosing to sub-subspecialize, she said.

Currently, primary care physicians are being paid only a fraction of their true value, said Ms. Boccuti.

In part, the shortfall is because the fee schedule that favors medical specialties over primary care, and relative values are updated only every 5 years, which tends to magnify the difference in efficiency gains between technology-dependent specialties and primary care.

If primary care physicians were more justly rewarded, they could invest in health information technology and other infrastructure needed to establish medical homes, said Ms. Boccuti.

MedPAC commissioners agreed that the playing field needs to be leveled and suggested some options. Congress could make a budget-neutral adjustment to the fee schedule to increase the payment for primary care, and ask the Medicare program to more closely identify who is considered a primary care physician.

"You could look at this as us trying to make up for the past failures" of the relative value–setting process, said MedPAC Chairman Glenn Hackbarth. The increase would be a reward for the value primary care delivers to the health care system, he said. "My own view is that ultimately, we need to be about recognizing value," said Mr. Hackbarth, a health care consultant from Bend, Ore.

Dr. Nicholas Wolter, a commissioner and physician at the Billings Clinic in Montana, said that he would like to see an increase, even if it were not "budget neutral." The investment in primary care would likely drive down overall Medicare spending, said Dr. Wolter.

Commissioners also expressed support for a medical home pilot program. To participate, a physician or a practice would have to demonstrate certain essential capabilities.

Although there is currently an ongoing medical home demonstration project being funded by Medicare, a pilot will bring more timely results, said Mr. Hackbarth, who explained that the difference is more than just semantic.

Pilots tend to be large in scale, with concrete parameters for participation and outcomes. If a pilot is successful, Medicare can simply expand the program, rather than have to go back to Congress to seek authority for a new regulation, he said.

"I think we need to accelerate the process to find good ideas that work," Mr. Hackbarth said.

