POLICY & PRACTICE

Part B Premiums Up 5.6% for 2007

Medicare's Part B premium for outpatient and physician services will go up by 5.6% to $93.50 in 2007, the smallest increase since 2001, and less than what had been projected by the Centers for Medicare and Medicaid Services earlier in 2006, Dr. Mark B. McClellan, outgoing CMS administrator, announced in a briefing. The Part B deductible will be $131. For the first time in 2007, higher-income beneficiaries—individuals with incomes over $80,000 annually, and couples who make more than $160,000 annually—will pay a larger share of their costs. Spending on Medicare Advantage is flat, but growth continues in the traditional fee-for-service side. The largest contributors to that growth are outpatient hospital services (projected to grow by 12% in 2007), physician-administered drugs, and ambulatory surgery center services. Growth in physician services, such as lab tests and imaging, slowed down significantly from what had been expected, but the volume is still projected to increase 5% in 2007, Dr. McClellan said. Also, if Congress increases physician fees for 2007, the Part B premium will have to be adjusted upward in proceeding years to compensate, he warned.

U.S. System Gets Failing Grade

A comparison of how the U.S. health care system stacks up against systems in other countries on 37 indicators of health outcomes, quality, access, equity, and efficiency shows that America scores an average 66 out of 100, ranking 15th out of 19 countries in preventable deaths. The United States scored particularly low against other nations on efficiency, getting an average score of 51, which the report blames partly on the lack of electronic medical records, used by only 17% of American physicians. Scores for quality and equity of access were highest, at 71. The American Board of Internal Medicine, which participated in a briefing on the report, said in a statement, "We applaud the commission for providing us with a comprehensive, comparative set of measures to use as a basis for improving the performance of our nation's health care system." The scorecard, which will be updated annually, was developed using a quality framework established by the Institute of Medicine and used indicators from the Department of Health and Human Services, the Agency for Healthcare Research and Quality, the National Committee for Quality Assurances, and others. The full report is available online at www.cmwf.org.

Easing Insurance Hassles

A group of health care organizations has pledged to ease some of the hassles faced by physicians in verifying patient insurance information and to do so by March 31, 2007. More than 20 organizations, including a number of major insurers, will begin to electronically exchange patient eligibility and benefits information using operating rules developed by the Committee on Operating Rules for Information Exchange (CORE), part of the Council for Affordable Quality Healthcare (CAQH), an industry group. The adoption of the CORE rules by insurers and other health care organizations means that physicians will be able to submit an electronic request to a participating health plan and get a response in 20 seconds or less, according to CAQH. Some of the insurers who have committed to adopting the CORE rules include Aetna Inc., Humana Inc., and Wellpoint Inc. Nearly 70 million Americans are covered by the health plans that have committed to using the CORE rules, according to CAQH. The CORE Phase I rules have been endorsed by the American Academy of Family Physicians, the American College of Physicians, and the Medical Group Management Association.

Wal-Mart Offers Drug Discounts

Retail giant Wal-Mart last month began offering generic medications to pharmacy customers in the Tampa Bay, Fla., area at a cost of $4 per 30-day supply. The program will be expanded to all stores in Florida in January and could be expanded across the country in 2007, the company said. "Competition and market forces have been absent from our health care system, and that has hurt working families tremendously," Wal-Mart CEO H. Lee Scott Jr. said in a statement. "We are excited to take the lead in doing what we do best—driving costs out of the system—and passing those savings to our customers and associates." The $4 copay will apply to prescriptions that can be filled with 1 of 291 generic medications from a variety of therapeutic categories including antibiotics, cardiac medications, antidepressants, anti-inflammatory drugs, diabetes medications, analgesics, and vitamins. The program will be available to customers with and without insurance. In an effort to remain competitive with Wal-Mart, Target announced that its Tampa Bay area stores would match the lower prices on generic drugs.

Research on Healthy Aging

More than 90 scientists, research advocates, and other experts are calling on policy makers around the world to make research into healthy aging a priority. The researchers signed on to a statement that calls the slowing of the aging process in humans "scientifically plausible," providing there is adequate investment. Investing more in understanding the biology of aging is important, the statement said, because of the individual and societal costs associated with debilitating late-in-life illnesses. "A modest deceleration in the rate of biological aging would produce the equivalent of simultaneous major breakthroughs against every single fatal and nonfatal disease and disorder associated with growing older," said the statement, which was released in September at a symposium on Capitol Hill sponsored by the Alliance for Aging Research.

—From staff reports

U.S. Presence Lacking at Rural Medicine Conference

BY TIMOTHY F. KIRN
Sacramento Bureau

SEATTLE — The United States has a growing shortage of rural physicians, but interest in addressing the problem seems to be lagging behind that of some other countries, notably Australia.

At a recent conference on rural health sponsored by WONCA, the World Organization of Family Doctors, some participants were dismayed that there was not a greater U.S. presence at a meeting held in the United States.

"I honestly would have thought there would have been a large presence here from U.S. medical schools," said Dr. James Rourke, dean of medicine at Memorial University, St. John's, Nfld., one of the meeting organizers. "If it is not an issue for them, it should be."

Organizers said U.S. medical schools and departments of family medicine were invited. But Australia, which is seen as a world leader in efforts to improve rural physician supply, had the largest contingent of meeting participants. Presentations from Australia outnumbered those from the United States by almost three to one.

The population of Australia is 20 million, of which only about 2 million live in rural areas. The United States has 20 million people living in rural, federally designated primary-care–physician shortage areas.

Patricia Taylor, Ph.D., formerly director of research for the federal Office of Rural Health Policy, said she was disappointed by the U.S. showing but not especially surprised. In 1999, before retiring from the agency, Dr. Taylor organized a meeting of health educators on rural health issues. There has not been another such meeting since then, she said in an interview.

Like Dr. Taylor's meeting, the WONCA meeting focused on the role of medical schools and residency programs in addressing rural shortages. Much of the discussion was about how medical schools often discourage rural practice.

Good rural physicians need somewhat different training from that of urban general physicians, but medical schools and most residency programs are located in urban areas, speakers said. Moreover, they added, most tend to be more interested in burnishing their international reputation and in training specialists and academics.

U.S. medical students who grew up near a medical school are less likely to become rural physicians, and those from a rural background are much more likely to end up practicing in a rural area, said Dr. Robert Bowman, director of rural health education and research in the department of family medicine at the University of Nebraska Medical Center, Omaha.

Improvements in the supply of rural physicians are likely to come from state and local efforts.

DR. TAYLOR

Currently, about 90% of U.S. medical students have urban roots, but 70% of rural physicians grew up in rural areas, Dr. Bowman said. About 25% of medical students with rural backgrounds return to a rural area to practice, he added.

Although 20% of the U.S. population lives in areas considered rural, only 9% of physicians practice there.

Current trends suggest the situation is getting worse rather than improving, Dr. Bowman said. Medical school students who come from rural areas tend to come from lower income homes. But the average household income of the families of medical students has been rising for about 20 years, so that in recent years, about 40% of medical school students come from families making $100,000 a year or more.

In 1970, 17% of medical students had rural origins; in 2005, only 10% did, he added. Also, the percentage of women in medical school classes is rising, but women tend not to go to rural areas.

This issue has been overshadowed on the national level by concerns that there will likely be a shortage of physicians overall by 2020. Improvements in the supply of rural physicians are likely to come from state and local efforts, Dr. Taylor said. ■

Catering to Rural Practice Needs

Schools that produce the highest number of medical graduates who go into rural practice (between 21% and 36% of each graduating class):

1. University of Minnesota, Duluth
2. University of Mississippi, Jackson
3. University of South Dakota, Sioux Falls
4. Mercer University, Macon, Ga.
5. University of North Dakota, Grand Forks
6. East Carolina University, Greenville, N.C.
7. University of Kentucky, Lexington
8. University of Nebraska, Omaha
9. East Tennessee State University, Johnson City
10. University of Arkansas, Little Rock

Schools that produce the lowest number of medical graduates who go into rural practice (between 0% and 3% of each graduating class):

1. State University of New York, Brooklyn
2. Cornell University, New York
3. University of Chicago
4. Harvard Medical School, Boston
5. University of California, Los Angeles
6. Albert Einstein College of Medicine, New York
7. Yale University, New Haven, Conn.
8. New York University, New York
9. Stanford (Calif.) University
10. University of North Texas at Fort Worth

Source: Dr. Frederick Chen, Washington, Wyoming, Alaska, Montana, and Idaho Rural Health Research Center, University of Washington, Seattle