

## Questions on Ensuring the Future Physician Workforce Act of 2008

- **What are the key provisions of the Ensuring the Future Physician Workforce Act of 2008?**
  - Positive reimbursement updates for providers;
  - Elimination of the ineffectual expenditure cap;
  - Increased incentives for reporting of medical data;
  - Adoption of HIT by addressing cost and legislative barriers;
  - Educating and empowering physicians and beneficiaries on their Medicare spending and benefits usage; and
  - Studies to realign the way Medicare pays.
  
- **Why do we need this bill?**

Today, as a nation we spend over \$2 trillion on healthcare, almost \$7,500 per person. These figures are expected to nearly double in the next ten years. Clearly this path is unsustainable. Our goal should be to allow healthcare providers to develop treatment plans based on what is in the best interest of the patient. Yet, the current method upon which we reimburse physicians has resulted in reduced access, lower quality of care, ineffective cost containment, and if continued threatens the future physician workforce. This bill addresses access for beneficiaries, while also taking a small step on the path towards changing the way we deliver quality, cost-effective care.
  
- **How will the bill benefit physicians?**

This bill provides physicians with the certainty that their reimbursements will not be cut over the next eighteen months, which would have resulted in an \$18,000 loss per physician in Texas. Beyond that point, it removes an arbitrary expenditure cap that does not accurately reflect physician practice costs and does not reduce healthcare spending. This bill also ensures the development of a future generation of physicians.
  
- **How will the bill benefit Medicare beneficiaries?**

The planned 10-plus percent cut to physician reimbursements is threatening the ability of physicians to continue to treat Medicare beneficiaries. Moreover, declining reimbursement rates were inducing physicians to see more patients per day to recover costs and as a result physicians were spending less and less time with their patients, resulting in lower quality care. Continuing the current policy would also potentially limit the number of physicians available in the future to care for a growing Medicare population.
  
- **How is the bill paid for?**

Over the past few years, deep cuts were scheduled for Medicare physicians, which Congress prevented and in some cases provided a positive update. For example, in a year we were scheduled to pay \$80 for physician reimbursements, Congress would act and pay \$100 or even \$101. This bill provides transparency to the budget process and honesty to the situation by saying up front, using the same example, we are going to pay \$100 or \$101. The effect on actual spending remains the same either way.

○ **Does this bill address rising health care costs?**

Yes. First, increasing incentives for the reporting of data will improve our ability to assess how we deliver care and the level of that care. This bill goes beyond the current Physician Quality Reporting Initiative by concentrating efforts on those areas that are the most expensive. Second, the implementation of Health Information Technology (HIT) is beneficial from a cost and quality perspective because HIT provides transparency, efficiency, portability, safety, and reductions in duplicative and wasteful procedures. However, various cost and legislative barriers have inhibited widespread adoption. This bill addresses these obstacles. Lastly, the bill provides confidential, comparative reports to physicians and beneficiaries on health care service use and spending. This targeted approach allows physicians to assess their practice and empowers beneficiaries in managing their health care, which strengthens the physician-patient relationship.

○ **How will the reporting measures improve quality of care?**

Currently, health care delivery is oftentimes based on antiquated protocols that provide no extra benefit to care. By collecting data on care, we can better understand the effect of various health care services. While this is not a one-size fits all approach to health care, there are clearly areas where there is a better approach that is less invasive and less costly. HIT provides portability and safety. Having your complete electronic health record accessible improves the ability of a physician or any other community provider to correctly diagnosis and provide the proper treatment.

○ **Why doesn't the bill mandate providers to implement HIT?**

The goal is to have every physician practice linked into HIT. However, it is a major investment for a practice to take. The Department of Health and Human Services has been working on, but not yet finalized hardware and software standards. At this time, it would be an undue burden to require every physician practice to invest in HIT if we can't tell them that what they invest in will meet the standard. This bill provides the incentive to voluntarily implement HIT and as beneficiaries begin to reap the benefits others will demand that their provider follow suit.

○ **Why does the bill provide reports to physicians and beneficiaries?**

Numerous studies have shown that average health care cost per beneficiary varies based on geography, with no improved outcomes resulting from the excess cost. Many agree that only targeted policies will reduce costs while maintaining quality. This bill begins to educate providers on their resource use and provides comparisons to other providers in their area or across the country. These reports will not be used to determine payments. Providers will take these reports seriously and evaluate whether their practice is providing services consistent with its patient population. On the beneficiary side, these reports will help beneficiaries better manage the care they deliver and allow them to openly discuss their care plans with their providers. Together these reports strengthen the physician-patient relationship.

- **Will the confidential reports to the physicians be used to determine their reimbursement for the delivery of health care services?**

No. There is language in the bill that explicitly prevents the Secretary of Health and Human Services from using this data to determine individual physician reimbursements. (Currently, the Secretary uses aggregate data to determine overall physician reimbursements. The bill though prevents the Secretary from using an individual report to determine an individual reimbursement).

- **Does Medicare appropriately reimburse providers?**

The Medicare system does not do a good job of paying for health care; it pays for sick care. The Medicare system does not reward physicians for efficiency, creativity, and coordinated and proper care. If two doctors see the same exact patient, the one who misdiagnoses, orders an array of tests, and admits a patient to a hospital for a lengthy stay is going to be paid more than the doctor who effectively treats a patient the first time. It is perverse and part of the reason our healthcare costs are skyrocketing.