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## Inefficient doctor? Government considers profiling of physicians

By Liz Freeman

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The federal government may be deciding what it means to be a good doctor, a sure-fire way to anger a profession already under siege from a variety of fronts.

The Centers for Medicare and Medicaid is considering a recommendation from the General Accounting Office that it start a physician profiling system with a focus on efficiency to help control costs in the Medicare program.

Efficiency would be based on standards for how many office visits, hospitalizations and tests are appropriate for a particular type of patient, to draw comparisons between efficient and inefficient doctors. At present, the recommendation is to profile general practitioners.

The Centers has the ability to develop such standards based on Medicare claims, which means having the ability to identify inefficient doctors from the efficient, with the intent of educating the former to be more like the latter, according to a GAO analysis released this month.

The Centers could be ready to undertake physician profiling as early as summer 2008, an agency administrator testified this month before the House Ways and Means Health Subcommittee.

“The entire notion is suspect,” said Judith Stein, executive director of the Center for Medicare Advocacy, a nonpartisan organization that focuses on fair access to health care for all Medicare beneficiaries. “I would look at it with the presumption it needs to prove its validity and not assume these (physician) scores are going to be valid.”

Physician profiling based on efficient practices is a twist from the pay-for-performance programs by many of the large private insurers to reward doctors for keeping their patients healthier based on both quality of care and efficiency standards.

The idea that The Centers may develop a profiling program based on efficiency would certainly raise red flags in Florida, said Fred Whitson, with the Florida Medical Association.

“We’re not opposed to identifying quality measures that improve patient care,” he said. “CMS has never indicated going down the efficiency route. I will tell you right now we will be opposed to it.”

Likewise, the American Medical Association is not supportive of physician profiling and tying reimbursement to a judgment about their practices, said Dr. Cecil Wilson, chairman of the AMA.

The science of profiling, which would require good risk adjustment mechanisms, has not been developed and without it runs the risk that physicians will opt to not take on patients with complicated medical issues, he said. For others, facing a profile judgment and possible reimbursement cut beyond what looms every year in Medicare fee cuts would be the final straw and they would drop Medicare

entirely, he said.

“It is just not ready for prime time. We are not prepared to support that,” Wilson said. “The problem with profiling is there is a lot of hazard.”

Physicians in the region may not have heard of the profiling idea at this early stage, said Margaret Eadington, executive director of the Collier County Medical Society, who asked several board members if they had heard of it.

Physicians may take a wait-and-see attitude about profiling but Williams said they remain highly concerned about reduced reimbursement from Medicare based on the current formula, where physician fees are adjusted based on the extent to which actual spending is aligned with specific targets.

The Medicare Rights Center, a national consumer services organization in New York, points to benefits and drawbacks of physician profiling.

“Our view of the GAO recommendation is that profiling physicians to enhance medical care can be an excellent idea,” said Robert Hayes, president of the group.

“The devil is in the details. If it is administered properly, patients win and physicians can benefit. If it is administered poorly, it can create havoc in the patient/doctor relationship.”

In its recently released study, the GAO selected 12 metropolitan areas around the United States, including Cape Coral and Miami, and looked at 10 health-care groups that already compare their network physicians on performance measures, including quality measures.

From there, the GAO computed the percentage of overly expensive patients in each physician’s Medicare practice.

To identify the overly expensive patients, the GAO grouped the Medicare beneficiaries in the 12 areas according to health status, using diagnostic and demographic information. Overly expensive patients were those where their total Medicare expenditures ranked in the top fifth of their health cohort.

The GAO found wide differences in spending within each health status cohort, with one instance of spending ranging from \$24,574 to as low as \$1,155.

The study found that all general practitioners had some expensive patients in their practice but some doctors had a much higher concentration. The GAO concluded those physicians were practicing medicine inefficiently.

The Centers for Medicare and Medicaid has the ability to conduct educational outreach with physicians about efficiency, given how it has done so in the past regarding improper billing and potential fraud, according to the GAO.

“For example, CMS could provide physicians a report that compares their practice’s efficiency with that of their peers, enabling physicians to see if their practice style is outside of the norm,” the study said.

To add a financial incentive component to improving doctors’ performance on Medicare spending would require The Centers to obtain congressional authority, the GAO said.

In a response letter to the study, the agency said it looks forward to working with the GAO on such initiatives but also pointed to costs for developing a physician profiling program.

“There would be a significant and recurring cost to designing the measurement tool, analyzing the data, populating the reports disseminating the reports, educating physicians on the use of the information and evaluating the impact of providing the information on physician behavior,” A. Bruce Steinwald, director of health care for The Centers, said in his response letter.

Stein, with the Medicare advocacy group, said she would hope that if The Centers for Medicare and Medicaid goes forward with physician profiling, that it does so on a limited pilot study approach rather than rolling it out all at once.

She shared the concern that, since doctors have been dropping out of Medicare because of reimbursement, adding a new cloud of being examined through an efficiency prism could cause more to drop Medicare.

“That is a concern,” she said. “One needs to be cautious with putting additional pressures on them.”

For certain, her organization will keep a close eye on how the government proceeds.

“I’m not sure efficiency translates into quality,” Stein said. “Doctors’ care is subjective. They are treating human beings. There’s a lot at stake for doctors and a lot at stake for beneficiaries.”

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