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## Physician Perspectives on Payment Reform House Meetings Summary Document June 15<sup>th</sup>, 2009

Doctors for America (DFA) organized over 30 house meetings in 17 states between June 4<sup>th</sup> and June 6<sup>th</sup>, 2009. These house meetings brought together hundreds of physicians to discuss the issue of physician payment reform and its context in the overall healthcare reform debate. The following report summarizes individual house meeting minutes sent to DFA. Physician quotes are in italics. For questions, please contact [info@drsmforamerica.org](mailto:info@drsmforamerica.org).

### Major Highlights:

- Physicians voiced their biggest concern with the **fragmentation** and **lack of coordination** in health care.
  - *"A PCP related his frustration with the fragmentation of care. He has stacks of faxes in his office, to and from other providers trying to coordinate care, and failing miserably. He wants to have a coordinated EMR/IT system."*
- Participants decried the **perverse incentives of the current fee for service** system.
  - *"We need to incentivize physicians for quality, not quantity."*
  - *"Patients receive too much care for too many unproven treatments."*
- General **support for a public plan option**
  - *"We can achieve high-quality, affordable national healthcare system for all...in order to accomplish this we must add [a public plan] on as a viable alternative to compete against our present day system and allow all providers and patients alike participation in the delivery of an integrated health care system that will compete with the private sector"*
- Concerned about **high costs** of care:
  - *"One recurrent theme was that many in attendance had always been covered by health insurance, but had watched family members struggle through difficult illnesses and had been shocked by the bills they received. Dr. \_\_\_\_\_ claimed he switched from a conservative republican to a liberal democrat after seeing his wife's struggle with breast cancer and the bills they received from her treatment."*
- Concern about the **crisis in primary care** and **supportive of payment reform**:
  - *"Many of those present were medical students concerned that although they are interested in primary care, they would not make enough money as PCPs to pay off their medical school debt."*
- They noted the importance of **continuity** of care and **prevention**.
  - *"Patients not connected to a particular primary care physician are less likely to receive recommended preventive and chronic illness care"*

### Top 3 factors that make practicing medicine difficult

1. **Fragmented, uncoordinated care** without truly interoperable Health IT
2. **Malpractice** costs/defensive medicine
3. **Lack of emphasis on preventive and primary care.**

Other frequently mentioned factors:

- Inadequate reimbursement to carry out tasks necessary for patient care.
- Not enough time with patients
- High cost of medications



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**How do physicians propose to change the payment system to achieve the following goals?**

1. Keep practitioners in practice
  - Tort reform
  - Pay for transformation to new models of care like the medical home
2. Cut costs
  - Tort reform
  - Disband the RUC and the RBRVS system, move toward using other mechanisms such as MedPAC to set Medicare reimbursement rates
  - Improve health IT to better coordinate patient care
  - Promote prevention
  - Establish "best practices" and measure outcomes on a national level; only compensate for tests that are evidence-based
3. Realigning incentives
  - *"Make sure patients, insurers and providers all have an equitable share of responsibility in complying with benchmarks, best practices, P4P goals."*
  - *"Better define health outcome [real] "end points" and reimburse physicians for achieving those end points"*
  - *"Mandate that physicians take on a certain number of "sick" patients to avoid gaming of the system"*
  - *"Physicians who do not meet the minimal criteria for pay for performance in their specialties should have their reimbursements eliminated."*
  - *"A Public Health Care Plan can stop cost shifting and will automatically address the underlying causes of health care cost inflation."*

**Would specialists support a small pay cut to fund and increase in primary care payments?**

In general, most did not favor pay cuts. However, there was a **surprising heterogeneity** of opinions even among specialists. There was broad agreement about the value of primary care and need for primary care salaries to rise.

- *"If we increase payment for PC how do I explain to other physicians why their pay is being cut?"*
- *"If you can prove that the system works better when the salaries are balanced better, then people will understand."*
- *"Restructuring the pay scale to better reimburse non-procedural things, such as counseling, would better incentivize primary care"*

**What stories and examples do physicians have for why we need payment reform?**

- *"A patient came into a community clinic in a severe hypertensive crisis because he had lost his factory job, and his healthcare along with it. He had not taken his meds in several months, and came in with a BP of over 200/110. He refused to be taken to the ER because he could not afford the ambulance ride, and so instead was kept in observation and fed anti-hypertensives every five minutes until he was only somewhat hypertensive."*



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- *“There already is rationing in this country, and it’s based on income.”*
- *“ [We] need to use independent clinical effectiveness research to decide what will be covered in a plan for everyone, and let people choose to pay for additional care (or a higher tier of insurance to cover more care) on their own.”*

### **Issue Specific comments from physicians:**

#### **1. Increasing pay for primary care physicians:**

Most physicians believe that **primary care physicians are underpaid and under-recognized** as an extremely valuable part of the health system. Increasing funding for primary care can lead to better value and lower costs through the rest of the system. The current RBRVS system dominated by the RUC is not tenable.

- *“It’s not just money, [but] also prestige”*
- *“[Primary Care] is under-emphasized in med school”*
- *“Patients are seeing more specialists for each problem, but still need to be coordinated by one PCP”*
- *“PCPs can reduce over-medication”*

**Reducing medical school expenses/debt** for those who choose primary care is a key modality for increasing the number of primary care doctors

- *“One reason for low numbers of PCPs is the need to make a large income to overcome massive medical school debt.”*

#### **2. Bundling payments:**

In general, though some thought it might be a step in the right direction toward pay reform, **not much overall support** existed for this option. Concerns included:

Bureaucratic structures (“*more middlemen*”) that would be enacted to distribute payments

- *“Not a very popular option in our group. There was a great deal of support for a more salaried physician model, but there was a great deal of concern that bundling would not guarantee high-quality care or reduce the number of procedures done.”*

Routing payments through hospital or physician-hospital groups for distribution

- *“Bundling might be a step in the right direction, but high risk that hospitals (and their needs) will dominate unless doctors are organized into strong practice groups.”*

Unlikely to succeed outside of highly integrated, primarily urban delivery groups

- *“Cautious encouragement [for bundled payments] expressed. Some felt this was not practical in as fragmented a medical system as we now have.”*



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### 3. Pay for performance:

Pay for performance (P4P) is a **reality** for most physicians. Many physicians said it was “good in theory”, but **difficult to determine the right outcomes** to measure. There was concern that many physicians would only take healthy or motivated patients, which would exacerbate access problems. A number of physicians also pointed to the lack of strong empirical literature attesting to the success of current P4P programs in reducing costs or increasing quality.

Suggestions for improvement included:

- Mandating that P4P criteria should be written by physicians in that particular specialty based on a needs assessment co-sponsored by the certifying board.
- Developing better clinical endpoints to measure for quality
- Using P4P as a bonus, not a punishment for poor outcomes

### 4. Medical Home:

The medical home model was **widely supported** across the board. It could be especially helpful in promoting **increased preventive care** and could support the reinvigoration of primary care.

- *“Need more details but seems like a good idea which can be introduced into the existing system and provide a viable alternative to getting health care. If set up to be accessible and affordable could provide healthy competition for primary insures and increased opportunities for PCP. Possibility of decreasing ER visit would also help to curtail health care spending.”*
- *“It was agreed that a single PCP coordinating care with a nationwide health IT system could greatly reduce unnecessary medications and cut costs.”*

Suggestions for promoting the adoption of the medical home included upfront funds for implementation, more demonstrations across the country with reported outcomes, and a push for providers to integrate (possibly along the lines of accountable care organizations):

- *“Funds needed up front to implement, but then tied to performance standards. Almost impossible for small individual practices to do on their own; they need to be encouraged to be part of networks or, better yet, truly integrated systems like Kaiser, Mayo and Geisinger. The age of the solo practitioner is past.”*

### 5. Fixing the Sustained Growth Rate (SGR) Formula:

There was **near-uniform dislike** for the SGR. Potentially, getting rid of the SGR could be tied to other parts of health reform (a carrot in return for concessions from physicians).

- *“The only way to fix it is get rid of it.”*
- *“This formulation is antiquated and should be eliminated. It should be replaced with a statewide standard based on reported revenues and projected growth by individual states subject to approval by the national government.”*