Internal Medicine 2006: A Brighter Future

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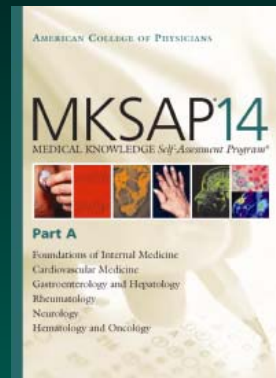
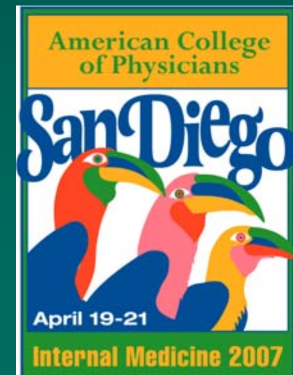
Strength of ACP

- Commitment to patients
- Membership at an all-time high: 120,000
- Strong financial position
- Leadership in public policy, scientific policy, education and publishing

ACP Resources for You

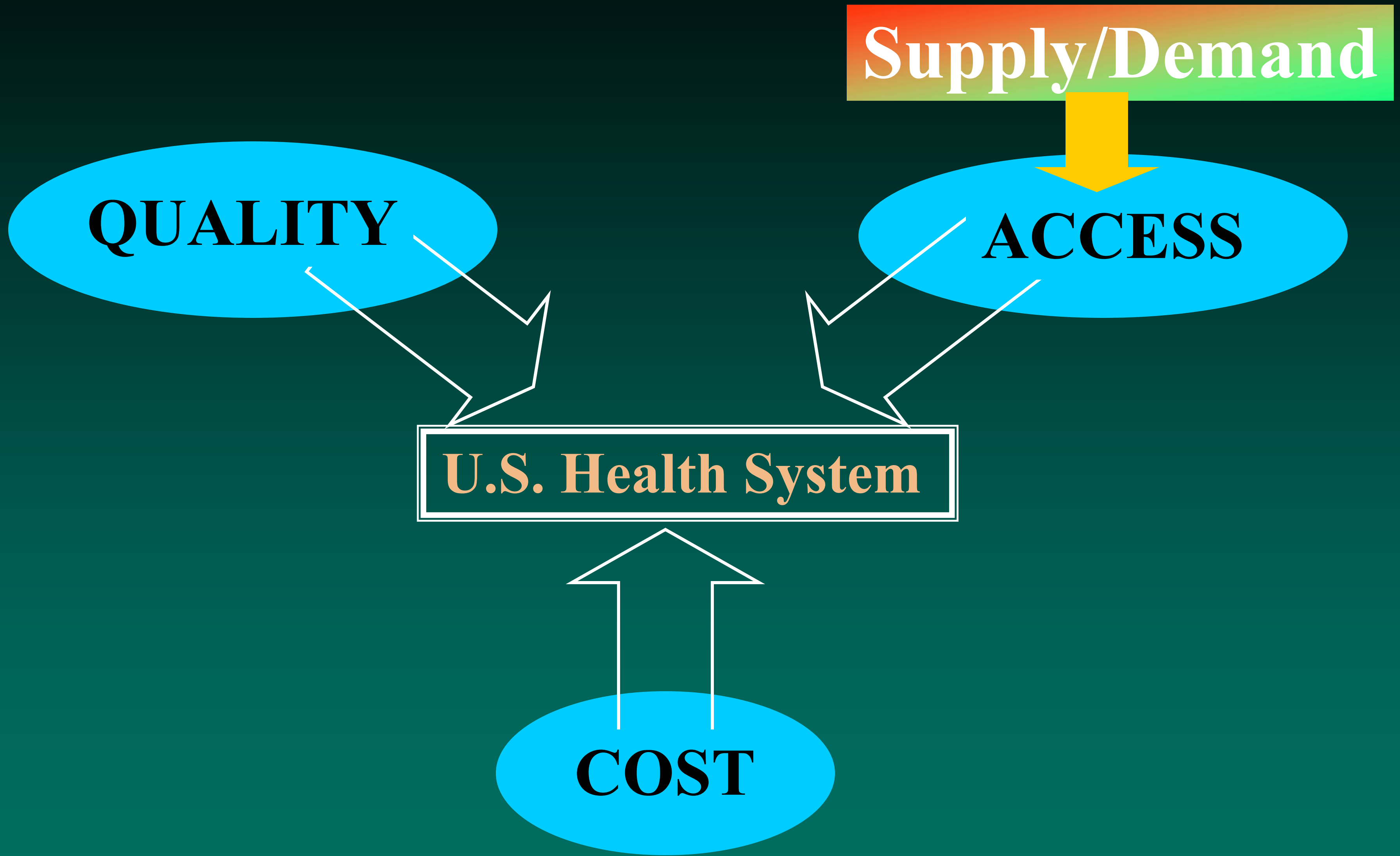
- Annals of Internal Medicine
- MKSAP 14
- PIER
- Internal Medicine 2007





Impending Collapse of Primary Care

- **U.S. is facing a collapse of primary care medicine, due in large part to unfair and dysfunctional payment policies.**
  - Current payment policies are not meeting the needs of patients, physicians or taxpayers.
  - The inverse relationship between cost and quality is the “Achilles heel” of American medicine.
- **ACP is committed to improving payment to physicians.**


Supply/Demand
QUALITY
ACCESS
U.S. Health System
COST

Physician Demand Issues

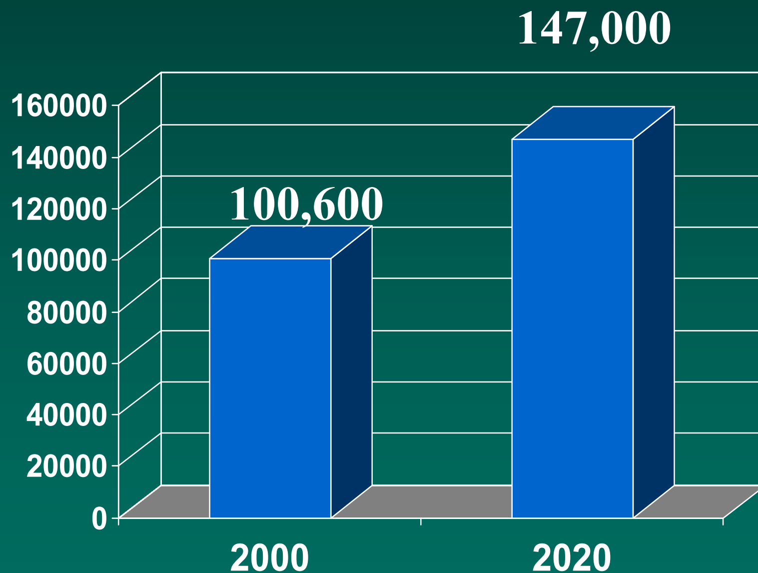
Year	Mean Age	Population 65+ (in millions)	% of Pop. 65+	% increase from 2000 in 65+ Pop.
2000	36.5	34.71	12.6	--
2005	37.2	36.17	12.6	4.2%
2010	37.8	39.41	13.2	13.5%
2020	39.0	53.22	16.5	53.3%
2030	39.9	69.38	20.0	99.9%
2040	40.3	75.23	20.3	116.8%
2050	40.3	78.86	20.0	127.2%

Source: US. Department of Health and Human Services. "Changing Demographics: Implications for Physicians, Nurses, and Other Health Workers." Health Resources and Services Administration, Rockville, MD, U.S. Department of Health and Human Services. 2003.

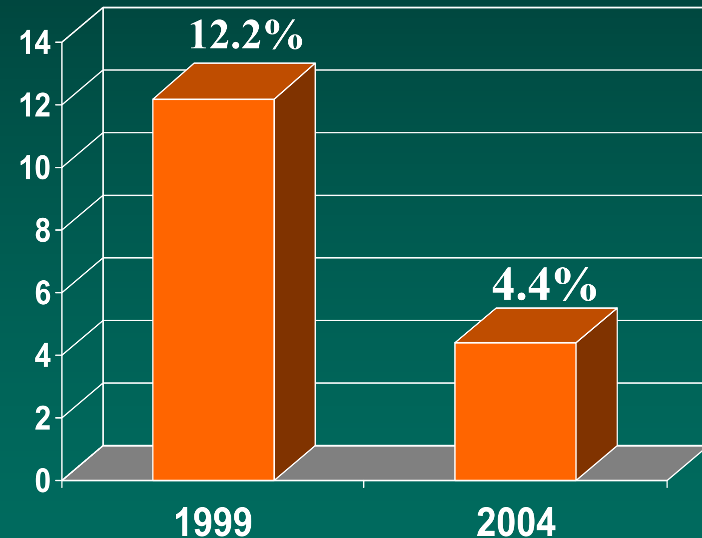
DEMAND

SUPPLY

Projected Need for General Internists



Medical students choosing careers in general internal medicine



Source: US. Department of Health and Human Services. "Changing Demographics: Implications for Physicians, Nurses, and Other Health Workers." Health Resources and Services Administration, Rockville, MD, U.S.Department of Health and Human Services. 2003.

Health Care Cost as a Driver

- The U.S. spent $1.9 trillion on health care, or $6,280 per person.
- Total health spending rose 7.9 percent.
- Spending for physician services grew 9.0 percent.
- Spending for physician services accounted for 29 percent of the total growth in personal health care spending.
- Out of pocket payments grew 5.5 percent.

Health Care Quality as a Driver

- Patients receive recommended care only about 1/2 of the time.
- Hospital care improved by a median of 5.4 percent on 24 measures, while ambulatory care improved only 1.4 percent on 49 measures.
- Americans have shorter life spans than other industrialized countries.
- Health disparities are pervasive.

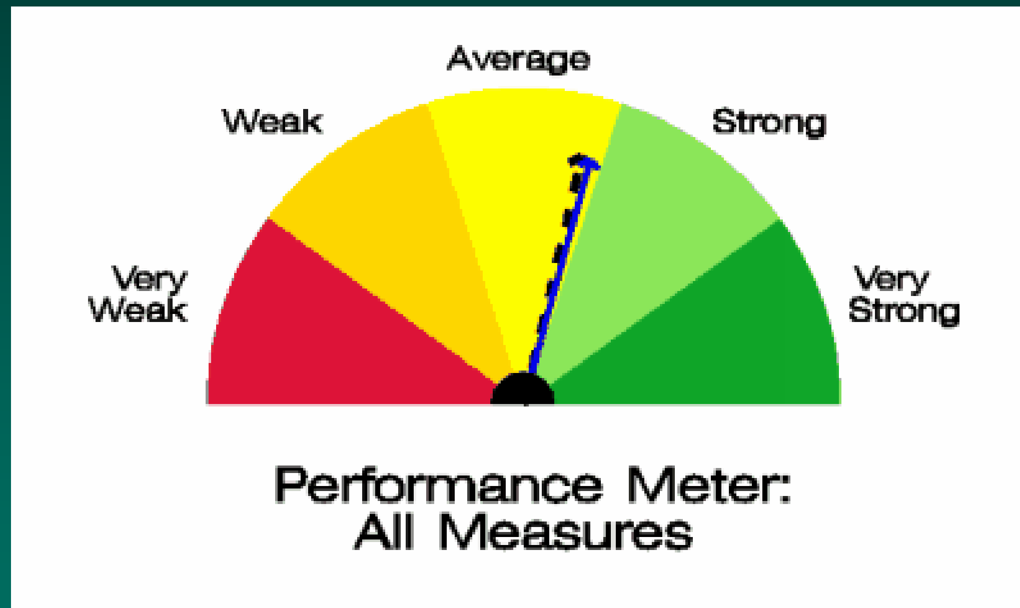
Source: National Healthcare Quality Report (2003 to 2004)

Shortage of Primary Care Physicians

- Arizona had 61 primary care physicians per 100,000 population in 2000. This is below the national average of 69 physicians.
- In 1985 Arizona had 406,590 Medicare beneficiaries.
- Currently there are 753,934 Medicare beneficiaries. And, the population age 65 and older is projected to grow 72% between 2000 and 2020.

What Is Arizona's overall health care quality performance compared to all states and how has it changed?

Performance across all NHQR quality measures compared to all States
Most recent data year (solid line) Preceding data year (dashed line)



http://www.qualitytools.ahrq.gov/qualityreport/2005/state/summary/map.aspx

What can we do about it?
Changing the debate: key premises

- P4P without a change in delivery and payment structures will not result in better quality.
- Delivery should center on patients' needs, not payers.
- Physicians should be reimbursed for "doing better" rather than "doing more."
- Payments should recognize:
  - value of time with patients
  - work associated with coordinating care, and
  - prevention
- Internists provide the best "value" to patients.

ACP Policy Framework for Comprehensive Reform

- **Create a national workforce for Internal Medicine.**
- **Reform the dysfunctional payment and delivery system.**
  - Payers should pay for those services required to allow the primary care physician to provide patient-focused, longitudinal, coordinated care.
  - Payments should reward high quality, patient-centered care rather than volume.
- **Redesign internal medicine training.**

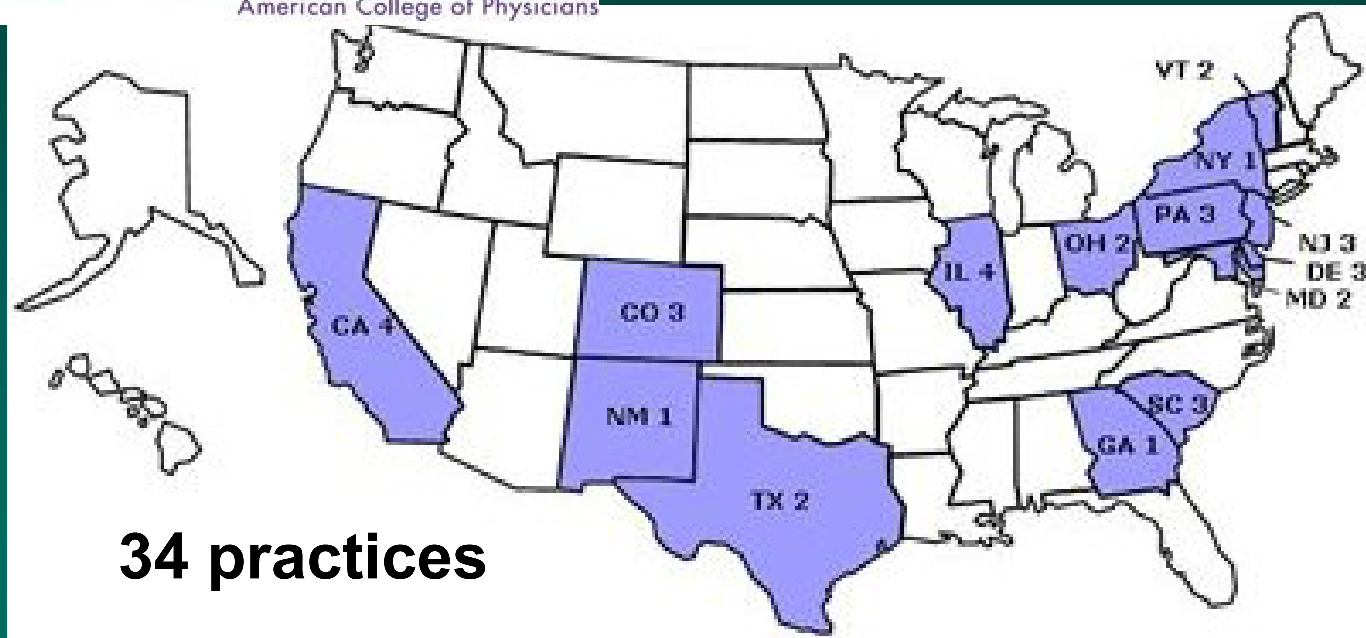
ACP Policy Framework for Comprehensive Reform

The Advanced Medical Home (Patient-Centered Medical Home)

- Practices would voluntarily achieve recognition for providing patient-centered services:
  - **self management support**
  - **evidence-based guidelines**
  - **facilitate care with other health care professionals**
  - **provide ease-of-access through telephone, email and face-to-face visits**
  - **report on quality and patient satisfaction measures**
- **Patients have a relationship with a personal physician who coordinates care.**
- **Practices would qualify for risk-adjusted care management fees for care not currently reimbursed.**

ACP is applying and testing solutions

- Research through demonstration projects
- Closing the Gap



New Medicare RVU increases will benefit internists . . .

- On November 1, CMS issued a final rule that will increase the Medicare physician *work RVUs* for office visits, other evaluation and management services (E/M)
- This was the result of a two year effort led by ACP, working with a multi-specialty coalition, to persuade CMS to increase the work RVUs for E/M services
- RVUs determine the size of the *slice* of the pie; the Medicare dollar conversion factor and the SGR determine the size of the *pie*
- Physician work RVUs constitute about 55% of total work RVUs; PE-RVUs constitute another >40 %, liability RVUs the remainder
- RVU increases are the largest ever proposed, resulting in $4 billion shift to E/M services
- By law, RVU increase are *budget neutral*, meaning that they must be paid for by an across-the-board offset to keep total spending the same

. . . But the SGR cut would offset the initial dollar gain from the RVU increases

- CMS estimates that internist on average would gain 5% from the E/M increases
  - But this gain will be offset if the SGR cut goes into affect
  - *With the SGR cut*, CMS estimates that an average internist could lose 1% in 2007 Medicare payments
  - Depending on how many E/M services you bill, you may still experience a net gain in Medicare revenues
- Because of the E/M increases, internists are still better off than other specialties:
  - Many other specialties will have cuts of *10%* or more because of the combined impact of the RVU budget neutrality offsets, practice expense RVU changes, and the SGR cut
  - The RVU increases will have a longer-term positive impact for IM by permanently allocating a greater share of the pie to E/M services
  - And will likely result in improved payments under private health plans, since most use the Medicare RVUs

ACP's message to Congress: support the RVU increases but halt the SGR cut!

ACP President Lynne Kirk's November 2 letter to Congress:

"The initial potential benefit to Medicare patients of the improved RVUs for E/M services will be lost if Congress allows the SGR cut to go into effect. The same CMS rule that on one hand would increase the RVUs for E/M services will, on the other hand, cancel out the intended improvements for primary care physicians by cutting overall payments by 5.0%, as required by the SGR.

For these reasons, the College strongly urges you to halt the SGR cut and support CMS's decision to implement the RVU increases on January 1, 2007. Congress must not take any action that would lead to a delay in the implementing the improved RVUs for E/M services, but it is equally imperative that Congress enact legislation, immediately following the election, to halt the 5.0% SGR cut and replace it with a positive update."

Demonstrating Value Requires Measurement

- Demonstrating value requires a willingness to measure and report data based on measures developed by the medical profession and accepted by multiple stakeholders.
- Performance measurement can be a tool to improve quality and demonstrate value to support a better payment model for internists.
- The College supports linking elements of payment to reporting of appropriate quality measures. ("Linking Physician Payments to Quality Care" paper available in the advocacy section of www.acponline.org)

Conclusion

- Current payment systems are not meeting needs of patients, physicians or purchasers.
- RVU increases will improve payments for IM and are an important first step to reform.
- New models are needed to recognize the value of patient-centered care managed by internists.
- Demonstrating value will require ability to measure and report on performance.

What You Can Do

- Go to ACP's Legislative Action Center to get the latest information on contacting your members of Congress (go to www.acponline.org/advocacy and follow the link to the LAC)
- Urge them to act immediately, following the election, to halt the 5.0% SGR cut and replace it with a positive update
- The Legislative Action Center has sample letters and talking points and has been updated to reflect the impact of the RVU increases
- Sign up to become an ACP Key Congressional Contact

What You Can Do

- Individual ACP members *must* play an essential role in making the case for fundamental reform.
- Be an active participant in the debate; be informed about these critical issues.
  - Read the latest news in ACP Observer
  - Sign-up to receive ACP Observer Weekly
- Volunteer for demonstration projects that meet your needs such as DOQ-IT and the Medicare Health Support program if one is in your area.
- Most importantly, share your concerns, ideas and suggestions with us. We are working for you.

Questions?