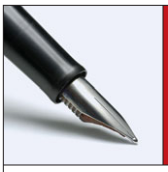


LETTER FROM THE EDITOR-IN-CHIEF

The Ruckus About 'RUC'

Perhaps you are unaware about the secretive, biased way that physician reimbursement is determined in this country. Perhaps you would be surprised to learn that the committee tasked with these determinations is composed of only 2 primary care physicians...out of 29 members! Perhaps you didn't know that their recommendations are unregulated and largely given a rubber stamp by the Centers for Medicare & Medicaid Services (CMS). Perhaps you have assumed that the process for reimbursement determinations is transparent and a matter of public record. Well then, perhaps you should wake up from your ketamine-induced sleep and sniff some ammonia salts!

Here's How it Really Works

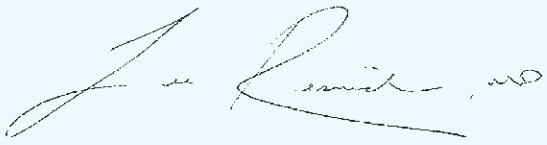
The Americal Medical Association (AMA) established the Relative Value Scale Update Committee (RUC) 20 years ago to score medical procedures based on their "relative value" (RVUs) as determined by multiple factors including physician time to perform and the training required for each procedure. This scoring system is the formula by which all recommended physician reimbursements are determined. There is, however, growing concern and outrage within the primary care community over the widening pay disparities and their link to a committee that is overwhelmingly influenced by specialists. It is being argued that the resulting bias towards proceduralists has directly contributed to skyrocketing healthcare costs and unprecedented pay gaps between primary care and specialty care.

The amount of training required to perform a procedure plays a significant role in determining its "relative value." Fair enough, but let's take a closer look. According to an analysis by Paul Fischer, MD, a family physician, and lead plaintiff in a lawsuit against CMS for their reliance on RUC for reimbursement recommendations, family physicians earn between half to a third of physicians in procedural specialties like dermatology, anesthesiology, and ophthalmology. Yet the training difference is a mere 1 year, or about 12% more medical training. This 12% training investment has netted these specialists a whopping 200% to 300% return. You don't have to be a financial advisor to deduce that a career in family medicine is a critically unwise investment. Let us also consider the societal value and prestige assigned to physicians based specifically on earnings. Is it any wonder we can't attract anyone to primary care?

Cracking the Codes

There are some 400 procedure codes for which reimbursement depends upon the RVU formulas used by RUC (codes). In addition, there are 10 non-procedural medical visits that are reimbursed using the "Evaluation and Management" codes with which we are most familiar (99211-99205). Perhaps the inherent bias of 400 codes for procedures vs a mere 10 codes for office visits raises your eyebrow? To add insult to injury, typical procedures, like cataract extractions and endoscopies, reimburse at over 12 times the hourly rate for a physician seeing a "moderately complex" office visit for a complaint such as headache or abdominal pain. It should not be difficult to understand, therefore, why specialists are defaulting to procedures in lieu of clinical management in their practices. The incentives to replace clinical evaluation and management with diagnostic procedure are inherent in the Relative Value Scale, and just too compelling to ignore. It has become so bad that patients now are referred back to primary care for most all of the "medical management" for their specialty diagnoses. Anesthesiologists are happy to perform multiple procedures for the patient with chronic back pain, but not so inclined to prescribe pain medications. When they have exhausted their procedures, they refer the patient back to primary care for the tiresome task of medication management.

There are no easy fixes. The AMA is adamantly against increasing reimbursement for some physicians at the expense of others, and society clearly has no appetite for adding any healthcare expenditures without balancing them with cuts. In my next column, I will explore some of the creative proposals being discussed and their potential impact on re-establishing parity in the physician payment system without increasing healthcare costs. ■



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