



LETTER FROM THE EDITOR-IN-CHIEF

Reinventing RUC



In my last column, I explained how physician reimbursement is determined by a relatively obscure and highly politicized committee shockingly biased by specialist representation. The so called "RUC" (Relative Value Scale Update Committee) has created a pay formula that heavily favors proceduralists at the undeniable expense of the primary care physician. This biased system of reimbursement has not only created an unbalanced pay scale amongst physicians, but has equally contributed to skyrocketing healthcare costs. It should come as no surprise that physicians favor procedures and procedural specialties when their reimbursement can be as high as 12 times the hourly rate for clinical evaluations.

Paul Fischer, MD, a family physician, and 5 of his colleagues, have filed suit against the Department of Health and Human Services and the Centers for Medicare & Medicaid Services for the conflicts inherent in their relationship with RUC. These conflicts, the suit claims, have led to a biased payment system that has encouraged medically unnecessary procedures at the expense of fair payment for primary care physicians. Dr. Fischer blames the complicated way procedures are billed as the primary cause of overuse and abuse. He notes that while evaluation and management services are billed on a five-level scale, procedures are billed using a system of codes that consumes 400 pages of the CPT manual. Each CPT code accounts for subtle differences between procedures, which can represent significant differences in reimbursement. By contrast, despite the well-known subtleties and work variability of clinical evaluations, we have only five levels of care from which to choose. Add on a layer of fear for billing higher level codes, and you have a perfect formula for underpayment.

Dr. Fischer goes on to suggest that the current CPT codes be replaced with a "Procedure and Follow-up" coding system that resembles the evaluation and management (E&M) coding rules. In it would be four categories of procedure: "Easy," "not too easy," "hard," and "very hard." RUC would be tasked with determining which procedures fall into each category and how much to reimburse at each level. Many will argue that the formula does not take into account the wide subtleties and intricacies of each of these procedures. That said, an equally compelling argument surely can be made with regard to E&M services. Although Dr.

Fischer's proposal can easily be criticized as an oversimplification, he is clearly attempting to pull back the curtain and reveal that the great and powerful proceduralist is no more a physician than his or her primary care colleague.

Other, more modest proposals have been offered as bridging actions until more permanent solutions can be achieved. For example, the American Academy of Family Physicians has proposed the following:*

- Four more primary care seats
- A permanent seat for gerontology
- Sunsetting of the RUC's rotating subspecialty seats
- New seats for non-physicians, such as economists, purchasers and consumers

In addition, several insurers are subverting RUC and proactively seeking to increase the effective role of primary care by increasing payment for their services. WellPoint recently announced a 10% primary care pay increase with promises of more to come. In collaboration with several pilot practices, WellPoint has seen tremendous cost savings with the approach while participating physicians are generating bonuses topping \$100,000 per year. Specialty and emergency room referrals are way down, and advanced diagnostics are less utilized. Perhaps we are seeing a novel revision of the managed care craze of the early 1990s. Instead of actively restricting care or punishing utilization, primary care physicians are simply fairly paid for doing the job they were trained to do.

It seems that perhaps we are capable of doing the right thing when we are simply rightly paid to do it. A novel concept indeed. ■

*Source: Klepper B. The AAFP's bold value initiative. Brian Klepper, PhD Web site. <http://brianklepper.info/2011/07/20/the-aafps-bold-valuation-initiative/#more-5339> Accessed March 16, 2012.

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