

REIMBURSEMENT CHANGES AFFECT PATIENTS AND PROVIDERS

In 2009, 83% of U.S. physicians and 90% of hospitals were managing patient information on paper, while technology, including the Internet, smartphones, iPads, and the cloud were revolutionizing every other sector of the economy. Healthcare, at that time, accounted for 18% of our gross domestic product, but the industry steadfastly refused to embrace the technology. That attitude has changed, but not without legislative influence.

That same year, Congress enacted the American Recovery and Reinvestment Act (ARRA). This legislation was chiefly intended to stabilize our economy, but also included the HITECH Act, (The Health Information Technology for Economic and Clinical Health Act), intended to advance the implementation of a nationwide health IT infrastructure, improve healthcare quality, reduce health disparities, and advance the delivery of patient-centered medical care. The HITECH Act also includes the Medicare and Medicaid Electronic Health Record Meaningful Use (MU) incentive programs, which provide payments for eligible professionals and hospitals that implement and meaningfully use digital health technology. All of this legislation opened the eyes of healthcare professionals to the need to use technology as an enabler to improve healthcare delivery to the patient.

MU implementation is based upon a three-stage approach with incentive payments built into the legislation, to be awarded to eligible health care providers as they adopt and “meaningfully use” certified EHR technology (CEHRT). The legislation also outlines how payment adjustments would be applied to those physicians who do not implement and meet the meaningful use criteria.

At the time, this seemed to be a reasonable mandate, as there was a critical need to encourage the 83% of doctors and 90% of hospitals to transition to electronic records and digitize their patient’s health information to enable more accurate, efficient medical care and encourage electronic prescribing to potentially reduce medication errors.

By the end of 2013, approximately 78%, almost eight in ten office-based physicians reported they had adopted some type of EHR system; about half of all physicians (48%) claimed to have an EHR system with advanced functionality; about six in 10 or 59% of hospitals reported having adopted an EHR system with advanced functionality. Those numbers have increased over the past year and today, nearly 90% of practicing physicians now have some type of electronic health record system in their practice.

Fast forward to Jan 1, 2015, and we have arrived at the deadline for meaningful use implementation, when all physicians who accept Medicare and Medicaid payments must demonstrate MU in the Medicare/Medicaid EHR Incentive Program, to avoid a payment adjustment in the negative. Over 400,000 healthcare providers have received Medicare bonus payments since 2011 for meeting the goals outlined in ARRA and the HITECH Act.

According to a recent article in the Wall Street Journal, more than 257,000 doctors out of a total of 893,000 doctors in the U.S. (nearly 1/3), will see their Medicare payments cut by 1% next year because they did not meet these requirements. An additional 28,000 will experience compensation reductions because they are not using electronic prescribing. Those physicians who missed the mandated 2013 deadline, even if they have since complied with the law and implemented the required systems, will experience cuts in their compensation

This compensation loss may be significantly less than what a physician's office has to spend to meet the next level of standards. As a result, there is a question as to how willing physicians are going to be to continue on this path of implementation. The changes experienced by physicians and hospitals, including pay for performance, risk-sharing, and reduced Medicare payments for high-cost procedures are adding cost pressures that could chase physicians away from clinical practice.

A number of studies have estimated that by 2020 the United States will be short anywhere from 24,000 to 200,000 physicians. We know that one out of three practicing physicians in the United States is over

the age of 55, and many are expected to retire in the next 10 or 15 years. Meanwhile, U.S. medical schools are not graduating enough students to make up for the loss. Additionally, some anecdotal evidence suggests that younger physicians are not willing to put their lives on hold, and work the 80-hour weeks that include weekends, nights and emergency department on-call duty like their elders—which means it may take two younger physicians to cover the work of one retiring physician.

Clearly, if the mandated legislation is increasingly cutting reimbursements to doctors, to the point where they get fed up with the system and leave their practice to engage in other health care activities, this will be a poor outcome. It will leave patients with fewer doctors to choose from, in a field which is already understaffed to meet the population's healthcare needs.

How will these legislated shifts in medical practice and reimbursement affect patients?

1. There is the potential loss of a primary care physician who might retire or go into a concierge practice which is unaffordable for most.
2. There is the issue of a disgruntled provider group that does not provide more than basic care services to their patients which might result in misinformation and non-adherence to treatment plans.
3. There is the increased risk of patients seeking online sources to get their questions answered – sources that are not always reliable.
4. Ultimately there is the possibility that this will force a change in the infrastructure of primary care medicine where nurse practitioners at urgent care centers, community health centers and retail clinics handle most basic care services.

All of this should provide the impetus for patients to become more participatory, empowered and engaged in their care, a positive outcome, but one charged with potential pitfalls if the patient does not have the proper professional support.