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Integrated Practices Comprehensive Care

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August 11, 2014

The Honorable Chuck Grassley
United States Senate
135 Hart Office Building
Washington, D.C., 20510

The Honorable Ron Wyden
United States Senate
221 Dirksen Office Building
Washington, D.C., 20510

SUBJECT: Comments: Health Care Data Transparency

Dear Senators Grassley and Wyden,

On behalf of LUGPA – a professional association comprising more than 2,200 physicians who make up more than 25 percent of the nation's practicing urologists – I am writing in response to the request for comments on next steps for health care transparency to provide input aimed to enhance the availability and utility of health care data.

First and foremost, we applaud and support your efforts to fully disclose health care costs through the Medicare Data Access for Transparency and Accountability Act (S. 1180). We also believe disclosure of relationships between providers and industry is important through the Physicians Payments Sunshine Act. We full-heartedly agree with you that health care "data has great potential for use by consumers who can be empowered to choose providers that best fit their specific needs; by providers who can improve and deliver higher-quality care; and by payers who can design the most efficient and effective delivery models."

It is with our shared goals in mind that we believe the recent release of the Medicare claims data by the Centers for Medicare & Medicaid Services (CMS), unfortunately, falls short. These releases have been both incomplete and without the appropriate context. In light of this, we're concerned that the data as presented does not empower consumers to choose providers that best fit their specific needs since it unfairly harms independent physicians – particularly those in single- and multi-specialty group practices – and advantages hospitals that provide care in the more expensive setting. This is of particular concern as moving forward, patients will bear higher payment burdens through increased deductibles and co-payments.

Data Should Help Consumers Compare Costs and Quality across Sites of Service

Perhaps the greatest shortcoming of the data is the failure to completely disclose the difference in costs between physicians' offices and hospitals. Although CMS released data on hospitals, the agency chose to publish only the top-30 ambulatory payment classification (APC) codes. Because CMS failed to provide the CPT codes that are bundled within each APC code, it is virtually impossible for a layperson to accurately compare rates for outpatient services. For example, patients cannot tell from this data where cancer treatment is less expensive – data fails to tell the patient that Medicare reimburses the exact same CPT code for intensity modulated radiation therapy (IMRT) 30 percent higher in the hospital than in the physician office. Disclosing the difference in costs between physicians' offices and hospitals could be the most consumer-empowering result yielded from your efforts to make health care data truly transparent.

Use of CPT Codes Ignores Integrated Practices Care Coordination

CMS' utilization data consists of simple procedure counts using lists of Common Procedure Terminology (CPT) codes. This makes it impossible to accurately evaluate physicians in group practices because this data fails to account for the ability of integrated practices to use care coordination to manage and control costs and improve quality outcome measures. For example, in large group practices, if a provider refers a patient to one of his associates with a particular expertise, that specialized associate may appear to be performing more services *than* his peers when, in reality, he is performing those services *for* his peers. This paints an inaccurate picture of both clinical expertise and utilization patterns.

Data Should Guide Consumer Choice Regarding Quality and Affordability

Additionally, patients cannot determine the quality of services provided from CPT data alone. Performing a service, even at a high volume, is completely unrelated to appropriateness or medical necessity, and it is not an indicator of the quality of the service performed. Topline revenue data provides no insight into the costs associated with delivering those services. The incomplete information does not help guide patients to choosing more affordable alternatives or procedures/treatments that yield better outcomes when making important health care decisions.

Data Should Reflect Physicians' Costs of Providing Care

Just as billing and payment data do not reflect utilization or quality, so too do they offer an incomplete and misleading picture of income. The data presented reflects topline revenue only – there is no information presented regarding the costs of these services. All independent physicians must pay staff salary and benefits, office rent, utilities, professional liability insurance, medical equipment and supplies – unlike hospitals which are allowed to charge separate facility fees, physicians must pay these costs out of their professional fees. A failure to capture these overhead costs is especially misleading when considering pharmaceuticals and ancillary services. Because the data only reflects Medicare reimbursement, it implies that physicians who administer life-saving pharmaceuticals using standard buy and bill methodology are enjoying income on the Medicare reimbursement for those physician-administered drugs. If CMS opts to report on use of pharmaceuticals, it should provide data on the costs of the agents to the physician as well.

Ancillary services such as advanced imaging, pathology and radiation oncology are extremely capital intensive and require not only substantial initial investments in technology but ongoing overhead for maintenance. In addition, these procedures generally require highly trained, well-compensated technical staff. All of these expenses must come out of the reimbursement reported by CMS.

Simplify Sunshine Reporting for Physicians

Finally, we would also encourage CMS to be cognizant of the burden that their system places on providers. The instructions that CMS provides to comply with registration for the Sunshine Act are exceedingly complex, totaling 42 pages of text. It is unclear why simple background checks need to involve mortgage and auto lenders, or why extensive credit checks need be performed on providers to verify their identities. These types of onerous roadblocks are likely to deter many providers from even registering with CMS to view Open Payments data. Providers who do take time to register (which could otherwise be spent caring for patients) are also burdened by assessments and aggregations necessary to track minimal value transfers, monitor manufacturers' reporting, and to correct any publicly reported inaccuracies. A simplified reporting process that improves transparency while reducing spurious responsibilities, and the cost and administrative burden of reporting, reviewing, and correcting a high volume of small dollar transfers, would relieve unnecessary burdens on physicians who want and need to fully comply with the Sunshine Act.

Require CMS to Release Complete Data for all Sites of Service

We applaud your efforts to solicit new ideas and input from the medical community and agree that much more still needs to be done in order to achieve full transparency within the U.S. health care system. Per our concerns relayed in this letter, we suggest that CMS release complete data for all sites of service, along with comprehensible explanations. Until then, policymakers should consider the data in the appropriate context. Ultimately, we believe that this data should be made available and accessible to all patients, but not without the information necessary to enable patients to use the data to help them make informed medical decisions.

Sincerely,

Deepak A. Kapoor, MD
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