

Medical News



Proposed CMS Rule Aligns Payment Policies

Administration recommendation should help preserve independent medical practices and slow the flow of hospitals acquiring physician practices

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A new proposal from the Centers for Medicare & Medicaid Services (CMS) aims to better align payment policies for physicians in independent practice with hospital-owned practices. The CMS recommendation, a component of the 2017 proposed hospital outpatient payment rule, could hinder the rush of large-system consolidation while also helping small practices retain their independence.

"We see this new rule as a great step forward for independent doctors and patients," said Marni Jameson Carey, executive director of the national Association of Independent Doctors (AID), based in Winter Park. "Of course, the same medical procedure should cost the same, regardless of whether it's performed in an independent facility

or in a hospital-owned one, but that hasn't been the case until now. The fact that independent doctors have been receiving lower payments for the same services that hospital-employed doctors get paid more for is a disparity we at the Association of Independent Doctors have been fighting."

CMS proposes to reduce the incentives for hospitals to purchase physician practices by paying the same Medicare rates after future hospital acquisitions, whether physician services are provided in freestanding independent practices or in off-campus, hospital-owned practices. Exceptions are provided for emergency department services.

"By enforcing site-neutral payments, CMS has begun to remove the incentive for hospitals to buy up independent practices and ambulatory care centers," added Carey. "That should help curb their appetite and slow the trend toward consolidation, which is driving up healthcare costs."

The American Medical Association (AMA) favors the proposed CMS rule. "Providing similar payments for similar professional services located outside of a hospital campus, regardless of facility ownership, could lead to a more level economic playing field and help preserve independent practice," said AMA President Andrew W. Gurman, MD.

Gurman emphasized how small, independent physician practices remain a vital component of the nation's healthcare system by providing many valuable services to patients and communities, and that maintaining their viability is key to preserving physician leadership in patient-centered delivery system innovation.

"The new policy is more equitable for patients, who, CMS notes, often pay more for the same service provided in an off-campus department of a hospital," Gurman added.

CMS estimates that this move alone will save American taxpayers \$500 million a year.

"This rule also begins to shine a light on healthcare costs, and the difference between going to an independent doctor or facility and one owned by a hospital, which will cost much more though the care is equal," said Carey. "That's a message more consumers need to understand. This transparency is good for doctors, patients and America."



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