AMERICAN ACADEMY OF FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

Release of Medicare Physician Utilization and Payment Data

Overview

On April 9, 2014, the Centers for Medicare & Medicaid Services (CMS) announced the availability of the Medicare Provider Utilization and Payment Data: Physician and Other Supplier Public Use File. This newly released data set covers more than 880,000 distinct health care providers who collectively received $77 billion in Medicare payments in 2012 from the Medicare Part B Fee-for-Service program.

Directly following the CMS announcement, the AAFP prepared a summary and created a dedicated website on Physician Payment Transparency. The AAFP provides members with the following information on the Academy's policy on transparency, how physicians should interpret the data, how to discuss it with their patients or local media, and how to discuss it with their colleagues in order to better inform their practice operations.

Physicians and other providers can access this information by downloading files split by provider last name from the CMS web site. Alternatively, the *New York Times* website and the *Wall Street Journal* website created tools to search this data by name, specialty, and city/ZIP code.

What's AAFP's policy on transparency?

The AAFP believes that transparency in health care refers to reporting information which can be easily verified for accuracy. Both data and process should have transparency and an explicit disclosure of data limitations. Transparency in health care includes, but is not limited to, easy availability of:

- Payers' payment policies;
- Payers' claims adjudication software logic edits;
- Payers' fee schedules;
- Payers' clinical policies;
- Payers' data analysis methodology and performance measures used in rating;
- Physician performance; and
- Reporting of physician health care cost and quality information.

In a letter sent to CMS on September 5, 2013, the AAFP and others recognized the potential value of Medicare physician claims data and suggested that, if used correctly, it potentially would provide accurate and meaningful information to patients, physicians, and other stakeholders that could improve quality at the point of care. The letter urged CMS to consider carefully how use of this data may change over time and the role it may play in an evolving Medicare system. It also argued that the public's interest in disclosure of utilization and

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payment data from government health care programs must be balanced against the confidentiality and personal privacy interests of physicians, their practices, and patients. Finally, the letter urged CMS to ensure that the release of data would not mislead the public and advocated that the release of raw data regarding physician claims should be limited for specific purposes and with appropriate safeguards.

What is and is not in the recently released data?

This released data set covers more than 880,000 distinct health care providers who collectively received $77 billion in Medicare payments in 2012 from the Medicare Part B Fee-for-Service program. The file contains information on utilization, payment (allowed amount and Medicare payment), and submitted charges organized by National Provider Identifier (NPI), Healthcare Common Procedure Coding System code, and place of service.

This data does *not* contain information from Medicare Part A (Hospital Insurance), Part C (Medicare Advantage), Medicaid, Health Insurance Marketplaces, or private insurance plans. The data also does *not* include information associated with clinical diagnostic laboratories or durable medical equipment. Further, this data set does *not* represent the medical practice's entire patient panel, and it is *not* risk-adjusted for severity and complexity of patients treated by the physician. The data represents revenue from Medicare Part B services *before* the practice's operating costs are deducted.

Here is a screenshot of the *Wall Street Journal's* search tool:

Medicare Payments to Providers in 2012

Newly released Medicare billing data show total payments to more than 880,000 medical providers in 2012, totaling $77 billion. Search the database by provider name, specialty and location to see the types and number of procedures performed and the amounts paid to each provider by Medicare. (Related article.)

LAST NAME / COMPANY | SPECIALTY / FACILITY TYPE: Family Practice | CITY: Ex: Denver | LOCATION: All locations | Search | CLEAR

Provider	Specialty / Facility type	City	State / Country	Total Medicare payments
+	Family Practice		ARIZ.	$297,377.31
+	Family Practice		ARK.	$91,612.81
+	Family Practice		CALIF.	$82,635.48
+	Family Practice		CALIF.	$78,212.72

What are the limitations of the data?

All data has limitations and the Medicare physician claims data is no different. Among the limitations of the data released by CMS are the following:

- **Errors:** The CMS data may contain errors because there is currently no mechanism for physicians and other providers to review and correct their information.
- **Quality:** The data does not include explicit information on quality of care provided or quality measurement. It solely focuses on payment and utilization of services, so it cannot be used to evaluate the care provided.

- **Number of Services:** Residents, physician assistants, nurse practitioners and others under a physician's supervision all can file claims under that physician's NPI; thus, the data may not properly detail the services performed and who performed them.
- **Payment versus cost:** Medicare and other payers often pay fixed prices for services based on fee schedules; therefore, the amount paid to physicians does not reflect the cost to provide the service (since, in some cases, costs exceed payment) and is not an accurate portrayal of physician compensation, which is the difference between payments and costs.
- **Patient population:** The CMS data is not risk-adjusted and therefore is an incomplete representation of the services physicians provide. Additionally, it provides a limited view of the patients for which a physician provides care because it does not include care for private insurance patients or Medicaid beneficiaries.
- **Site of service:** Medicare payment amounts vary based on where the service was provided. To reflect a difference in practice costs, Medicare pays physicians less for services provided in a hospital outpatient department than for services in the physician's office. However, an additional payment is made to the hospital outpatient department to cover its practice costs. As a result, the total costs to Medicare and to the patient are not reflected in individual payment data and may actually be higher when a service is provided in a facility setting.
- **Physician comparisons:** The data lacks specificity in specialty descriptions and practice types, which could be misleading when making comparisons between physicians. In some cases, physicians who appear to have the same specialty can serve very different types of patients, thus impacting the mix of services provided and payments received.
- **Missing information:** The data does not account for patient mix and demographics or drug and supply costs.
- **Coding and billing changes**: Any analysis using the data should take into account changes in Medicare's coding and billing rules that may be different over time and across regions of the country (e.g., local coverage determinations).

What threats and opportunities does the data present?

The Medicare data, with all of its limitations, does present some threats to physicians. These include:

- The data could be used by insurers, hospitals, and accountable care organizations to assess physicians' charges and potentially drop those deemed to be high-cost physicians.
- Public and private insurers might use the data as a reason to impose additional prior authorization requests for expensive Part B drugs.
- The data has the potential to paint a negative picture of some physicians with patients, and it also has the potential to further enhance the perception that physicians are overpaid relative to the average U.S. worker.
- The data may generate some difficult questions from patients or local media; suggestions for addressing those questions are below.

That said, the release of the Medicare data also offers some opportunities. For instance, it provides a great opportunity for the AAFP to highlight the complexity of care that family

physicians provide. Also, the data show wide variation in total payments made among various medical specialties that reinforces the point that primary care physicians are underpaid relative to other specialists and sub-specialists. When that data set is further studied, it may make the case that family physicians, who provide comprehensive and time-intensive health care to their patients, are undervalued from a payer perspective.

How do you discuss this with your patients or local media?
You are encouraged to emphasize the following points when discussing the data with your patients or local media:

- The AAFP fully supports greater transparency in the health care system and recognizes the potential value of release of Medicare payment data for ensuring the quality of care for patients and efficient use of resources in the delivery of health care services.
- Release of this data shines a light on the need to reform physician payment away from fee for service and toward payment for quality of care.
- Data should include context and background on physician payments, so that policy makers, patients and the public understand the overall quality of care their physicians provide.
- The AAFP has called for safeguards to ensure that neither false nor misleading conclusions are derived from this information.
- Medicare payment data by itself does not describe a physician's practice.
- The AAFP hopes researchers use this data to understand and improve how health care dollars are spent, so that we can also improve the health of patients, families, and communities.

How can the data better inform practice operations?
As noted above, multiple providers (residents, physician assistants, nurse practitioners and others) sometimes perform services under a physician's supervision and therefore the non-physician provider may file claims under that physician's NPI. The released data does not distinguish who performed the service or how many providers were involved. You may want to use the data as a prompt to review the billing procedures in your practice to ensure that all services are being appropriately attributed to the correct NPI. A review of the data may also suggest a review of other coding and billing procedures in your practice by way of self-audit.

How can I appeal if I disagree with my data?
There is no formal appeal process associated with the release of this data. If you disagree with the data attributed to you, you may communicate that to CMS via the following email address: MedicareProviderData@cms.hhs.gov

If you suspect a potential case of Medicare fraud or abuse, please visit http://StopMedicareFraud.gov for information on how to report it.

Where can I go for more information?
CMS has developed some related frequently asked questions on their web site.

Additionally, if you are an AAFP member or part of an AAFP member's practice staff, you can contact the AAFP. Please address questions about this matter to Kent Moore, Senior Strategist for Physician Payment or Robert Bennett, Federal Regulatory Manager.