

# Payment Reform for Achieving Reduction in Unnecessary Care: The Primary Care Perspective – Key Issues

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# The Problem

- The basis for physician payment in the U.S. remains Medicare's fee-for-service RBRVS model, with relative values set by the AMA's RBRVS Update Committee [RUC]
- The RUC assigns very low "values" for evaluation and management services
- Payment limited to face-to-face encounters; little or no payment for care coordination and other high-value, nonface-to-face work

# The Consequences

- High volumes of short visits – creating the “hamster- wheel” practice environment
- Insufficient time for diagnosis – reducing diagnostic confidence of primary physicians, who compensate by resorting to excessive testing, especially imaging, and early referral
- Little time for patient education, counseling, shared decision making - “No Time to Heal”

# Consequences (cont'd)

- Patient and professional dissatisfaction – resulting in poor recruitment and retention of new graduates in primary care over the past 10-15 years; the workforce crisis
- Depleted financial reserves – primary care practices cannot afford the teams and technology needed to transform and achieve high performance

# Essential Elements of Payment Reform

- Elimination of the “volume imperative,” (i.e., eliminating the predominance of FFS)
- Realignment of payment to support desired outcomes (e.g., achievement of desired Triple Aim goals); if comprehensive care is desired, pay should be comprehensive rather than piecemeal.

# Payment Reform Elements (cont'd)

- Realignment of payment to support desired outcomes (e.g., achievement of desired Triple Aim goals); if comprehensive care is desired, pay should be comprehensive rather than piecemeal.
- Paying for work that creates value beyond the face-to-face encounter, including payment for care management and population management

# Payment Reform Elements

- Powerful, validated risk adjustment that protects against cherry-picking patients.
- Incentives for collaborative care with other providers
- Ability to negotiate payment within integrated systems of care to assure payment is proportional to risk and responsibility undertaken and consistent with overall goals