



Wednesday, September 21, 2016

Alliance for Site Neutral Payment Reform Launches New Website

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US Oncology Network Supports Local Coverage Determination Clarification Act

The US Oncology Network sent a letter to Congresswoman Lynn Jenkins (R-KS) and Congressman Ron Kind (D-WI) expressing support for the Local Coverage Determination Clarification Act (H.R. 5721), legislation that changes the process Medicare Administrative Contractors (MACs) use to make local coverage decisions that can limit or deny patients' access to care. **Read below.**

MedPAC Examines Physician Affiliation and Practice Size

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Physician Advocate Institute: Hospital Ownership of Physician Practices Increases Nearly 90 Percent in Three Years

According to a new study by the Physician Advocate Institute (PAI) and Avalere Health, the number of physician practices owned by hospitals or health systems rose 86 percent between 2012 and 2015. **Read below.**

New *Health Affairs* Report on Physician Consolidation Shows Rapid Movement from Small to Large Group Practices

A recent report in *Health Affairs* identified an accelerating trend of physicians moving from small to large group practices, with more pronounced effects among primary care physicians. **Read below.**

Alliance for Site Neutral Payment Reform Launches New Website

On September 12, The Alliance for Site Neutral Payment Reform launched a new website (www.siteneutral.org) to better educate lawmakers, industry stakeholders, and the public about the many benefits of advancing site neutral payment reforms across America's healthcare delivery system. The website houses research and other resources on the value of payment parity across sites of service and makes a compelling case for why Congress must protect and expand Section 603 of the Bipartisan Budget Act of 2015 (BBA), which equalizes Medicare reimbursements across healthcare facilities.

The US Oncology Network is a founding member of the Alliance, which is a coalition of patient advocates, providers, payers and employers, who support payment parity across site of service in order to decrease Medicare and commercial spending, ensure patients receive the right care in the right setting, lower taxpayer and beneficiary costs, and increase patient access.

To visit the new Alliance website, [CLICK HERE](#).

US Oncology Network Supports Local Coverage Determination Clarification Act



The US Oncology Network sent a letter to Congresswoman Lynn Jenkins (R-KS) and Congressman Ron Kind (D-WI) expressing support for the Local Coverage Determination Clarification Act (H.R. 5721), legislation that changes the process Medicare Administrative Contractors (MACs) use to make local coverage decisions that can limit or deny patients' access to care.

Specifically, the bill would:

- require MACs to disclose the rationale for an LCD and the evidence upon which they relied at the outset of the LCD process rather than when the LCD is finalized;
- provide interested parties with a meaningful reconsideration process outside of the of the MAC that finalized the LCD;
- eliminate backdoor National Coverage Decisions by prohibiting MACs from adopting an LCD from another jurisdiction without first conducting its own independent evaluation of the evidence; and
- require Medicare Administrative Contractors (MACs) to have open and public Carrier Advisory Committee meetings that are on the record.

The Network also joined the Advanced Medical Technology Association (AdvaMed), American Society of Clinical Oncology (ASCO), American Society for Radiation Oncology (ASTRO), Amputee Coalition, and College of American Pathologists in urging lawmakers to cosponsor the legislation to improve Medicare's coverage process and ensure that patients can benefit from medical innovation.

To read the Network's letter to Representatives Jenkins and Kind, [CLICK HERE](#).

To read the group letter on H.R. 5721, [CLICK HERE](#).

MedPAC Examines Physician Affiliation and Practice Size



On September 8, the Medicare Payment Advisory Commission (MedPAC) met to discuss the increase in physician practices that have been purchased by hospitals or health systems, including how increases in physician practice size impact Medicare payment policy.

MedPAC reviewed a [private-sector database](#) of physician information and practice characteristics, and merged it with Medicare claims to provide an initial analysis of characteristics of Medicare-billing physicians. In the analysis, Medicare found increasing physician group practice size and a rising share of physicians reporting hospital and health system affiliation.

Specifically, the database showed physician affiliation with a hospital or health system increased from 34 percent to 39 percent from 2012 to 2014, and solo practices fell to just 16 percent of physicians during that same time. The data also show a growth in practice sizes with a sizeable increase in the number of practices reporting 51 or more physicians in the group. According to the database's data on Medicare-billing physicians, 12 percent of practices have over 100 physicians.

To download the MedPAC presentation, [CLICK HERE](#).

Physician Advocate Institute: Hospital Ownership of Physician Practices Increases Nearly 90 Percent in Three Years

According to a new study by the Physician Advocate Institute (PAI) and Avalere Health, the number of physician practices owned by hospitals or health systems rose 86 percent between 2012 and 2015. To reach this conclusion, Avalere examined a database of payment information maintained by SK&A, a health care consultancy, to pinpoint practice ownership and location and cross reference it with recent acquisitions by hospitals/health systems. The report found that hospitals acquired 31,000 physician

practices between 2012 and 2015 and that one in four medical practices was hospital-owned by 2015. Furthermore, approximately 38 percent of physicians in the U.S. were employed by a hospital or health system.

This trend was found to be consistent across the entire U.S, with Alaska and Hawaii (118 increase in hospital/health system ownership of physician practices), the Northeast (106 percent), and the South (98 percent) the most affected.

PAI commissioned this analysis to better understand how these changes in physician employment affect the broader healthcare industry and what the implications are for patients and providers. In a separate study earlier this year, PAI and Avalere found that Medicare payments for three common healthcare service are on average three times higher when performed in a hospital outpatient department instead of a physician-owned office.

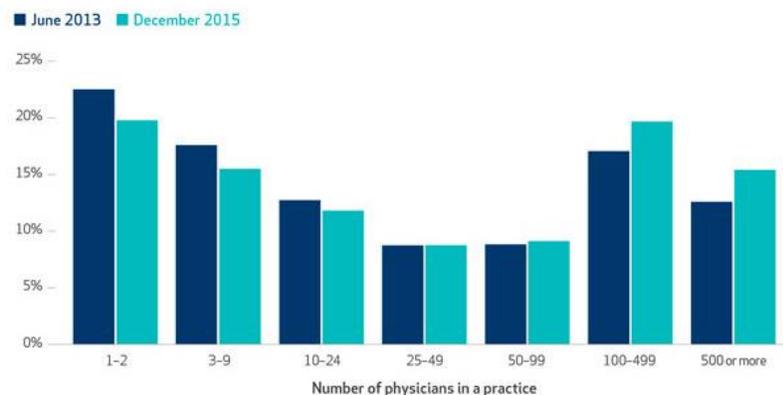
To read the full report, [CLICK HERE](#).

For a PAI press release that contains a more detailed summary, [CLICK HERE](#).

New *Health Affairs* Report on Physician Consolidation Shows Rapid Movement from Small to Large Group Practices

A recent report in *Health Affairs* titled “Physician Consolidation: Rapid Movement from Small to Large Group Practices, 2013–15” identified an accelerating trend of physicians moving from small to large group practices, with more pronounced effects among primary care physicians. The authors used information from Medicare’s Physician Compare dataset to examine changes in the makeup of physician practices between June 2013 and December 2015. According to their findings, the proportion of physicians in small groups (9 or fewer) dropped from 40.1 percent of all physicians in 2013 to 35.3 percent in 2015. Groups with more than 100 physicians increased from 29.6 percent to 35.1 percent over that same time period.

Percentages of US physicians in practice groups of various sizes, June 2013 and December 2015



The report also found that the greatest changes in consolidation occurred among the smallest and largest group practices. The proportion of physicians employed in practices with one or two physicians dropped from 22.5 percent of all physicians in 2013 to 15.5 percent in 2015. Likewise, the proportion of physicians employed in a practice of 500 or more increased from 12.6 percent in 2013 to 15.4 percent by December 2015.

Explanations for why this is happening include the significant technical and financial challenges associated with managing a medical practice as well as the ability for larger practices to attract younger physicians with more administrative support. The proliferation of population-based contracting agreements might also play a role in facilitating the movement towards larger practices.

Notably absent from the report is a discussion of whether this trend towards group practice consolidation will lead to better healthcare outcomes and lower costs. The authors caution that the evidence is mixed and further research is required.

To read the full *Health Affairs* article, [CLICK HERE](#).