

Go See the Wizard or Just Leave Oz? Medicare Consultation Codes

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WITH A MERE STROKE of the pen, they were gone! All of that training and hard work, all of that expertise developed over so many years seeing so many patients, all of that effort to become a specialist, now in the eyes of Medicare, made no difference. As of January 1, 2010, Medicare's consultation codes existed no more.

And it was done so easily as opposed to the SGR. As I write, legislators are being lobbied heavily by physicians in regards to the SGR cuts scheduled to begin April 1, 2010. Unless Congress acts before then, a 21.5% cut will occur in Medicare reimbursements for all physicians. This will occur in addition to the revenue lost from the consultation codes. The legislators' votes will be watched closely. They feel "the heat." But not so with the consultation codes - they disappeared with just a rule change by CMS. As Dr. Alan Garber has written elsewhere, using such an approach allowed for major cuts in Medicare reimbursements without the legislators feeling "the heat." After all, they didn't make the change. CMS made it.

Some believe that if there was only some way to show Congress the "value" of endocrinologists, then perhaps the consultation codes would be reinstated. Perhaps if value were measured, the data

could be taken to Congress and then surely they would see things our way. But how is value measured? It is the field of economics that studies such questions. And it is there that the dilemma we face becomes apparent: measurements are objective whereas value is subjective.

Take, for example, beauty. How does one measure beauty...by pounds, by inches, or by Fahrenheit? No, obviously we measure by none of these. After all, beauty is in the eye of the beholder. It is subjective. We all have different opinions as to what a beautiful car looks like or even a beautiful man or woman.

Likewise with value; we value things differently based on our subjective determinations. This is best summarized in the adage that "One man's trash is another man's treasure." For example, my brother collects Harley-Davidson® motorcycles and pays thousands of dollars to do so. Me? I wouldn't pay even

a penny for any of them. Obviously, we value them differently. Because people value things differently from each other, no other person can make value judgments for them.

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we pull back the curtain, what do we see? We see the many "wizards" working feverishly to turn the various valves and pull the various levers that release Medicare dollars into our healthcare system. To do so, they are often using arcane formulas, many of which are inherently flawed, such as the SGR. This results in the establishment of artificial prices and reimbursements, which ultimately misappropriate scarce resources as, for example, reimbursements that

don't even cover consults. This occurs because the wizards, no matter how hard they try or well-intentioned, are not able to value services appropriately.

But what can we do? Surely the road that we are currently on must be a dead end. The number of patients entering Medicare starting Jan 1, 2011, will begin to expand explosively at a rate on average of 10,000 per day, each day, for the next 10 years, bankrupting Medicare by 2016. Perhaps it is time to leave Oz and return to the real world by opting out of Medicare. By doing so, physicians would then be able to set their own prices just like everyone else in the marketplace that provides goods and services. In fact, some of the goods and services that are provided in such a way are more necessary than ours...they include food, clothing and shelter.

That is not to say that physicians would be without constraints if they did so. They would be under the constraint of the marketplace. If they set their prices too high, no one will show up in their office as a patient and they will go bankrupt. If the prices are set too low, the overhead will not be covered. The result will be the same...bankruptcy. They will have to set them appropriately. And since they will no longer be in Medicare, the patient will need to pay the medical bill, but Medicare Part B might be able to pay part of it. Many physicians from around the country are now beginning to see opting out of Medicare as their only viable option.

Because the practice of endocrinology is so labor intensive, with such low reimbursements and few procedures to compensate, will endocrinologists be the first to see the advantages of opting out of Medicare and leave the land of Oz? **TFM**