August 30, 2012

Steven A. Schroeder, MD
Society of General Internal Medicine
1500 King Street, Suite 303
Alexandria, VA 22314

Dear Dr. Schroeder:

The American Academy of Neurology (AAN), representing more than 25,000 neurologists and neuroscience professionals, is pleased to submit comments in response to the Society of General Internal Medicine’s (SGIM) request for recommendations on how the payment system could be reformed to constrain healthcare costs while optimizing outcomes and increasing quality. SGIM formed the National Commission on Physician Payment Reform to analyze current physician payment and delivery models.

Neurologists provide high quality care to patients with neurological disorders like dementia, Parkinson’s, epilepsy, stroke, and migraine. Where studied, care by a neurologist reduced costs and improved outcomes. Patients who receive care from neurologists often are discharged earlier from the hospital, receive more accurate diagnoses, and receive fewer unnecessary tests and procedures.1,2 For example, stroke patients have a lower mortality rate, and less disability when treated by a neurologist.3,4

The AAN supports the goal of improving quality, efficiency, and patient outcomes in the Medicare program. Fragmentation in the current health care delivery system impacts the ability of neurologists to provide the highest quality, safest, and most effective care. As such, the AAN supports a complete revision of the Medicare fee schedule to narrow the payment gap between evaluation and management (E/M) services and procedures. Research conducted by the University of Cincinnati5 found that the overall work intensity of surgeons, internists, family medicine physicians and neurologists was fairly equal. However, the specific dimensions of work intensity were more variable. Physical demand was particularly important for surgeons, while demands on time were more problematic for family physicians. Currently accepted assumptions of differing work intensity among medical specialists may be flawed. Therefore, the AAN believes that physician work relative value units should be recalculated to reflect more equitable reimbursement as physician work intensity may be miscalculated. The AAN also believes, that based on the University of Cincinnati’s findings, additional research in this area is needed to inform a fair payment policy.
Current policy has made cognitive specialties like neurology less attractive, largely due to economic incentives that encouraged overutilization of procedures over direct patient care. In other words, procedural specialties are rewarded at the expense of both primary care and cognitive specialties.\textsuperscript{6} Not to mention, shortfalls in the number of neurologists have also been observed.\textsuperscript{7}

Although the gap in median income between primary care physicians and specialists is well publicized, a recent review of Medicare data demonstrates that the disparity is actually between procedural vs. nonprocedural physicians.\textsuperscript{8} Health care policy discussions focused on this gap currently pit primary care physicians against all specialists. However, a number of specialists are also nonprocedural in that they derive the bulk of their income from cognitive care services like E/M services. For instance, neurologists bill on average 61\% of charges using E/M codes, but they are not eligible for the Medicare primary care incentive because neurology is not listed as an eligible specialty by the ACA law to receive the bonus. Research also suggests that nearly 40\% of visits for primary care services are with specialist physicians which may be attributed to patient preference and/or the shortage of primary care physicians.\textsuperscript{9} Since patient preference is still a part of the shared savings program, patients may elect to continue receiving primary care services from specialists. Neurologists will provide these services as long as primary caregivers are scarce and should be recognized for doing so.

Cognitive specialties like neurology are experiencing the same economic disadvantages as primary care, with the resulting difficulty in attracting graduating US medical students into the specialty, yet current congressional efforts to address these disparities have thus far focused only on primary care. That is why reform of the Medicare payment system needs to recognize the importance of cognitive care services by shifting away from a procedure-centered reimbursement model to a patient-centered system. \textbf{The AAN recommends that the misaligned financial incentives should be changed and that the income gap for primary care and cognitive specialties vs. procedural specialties should be closed.}

The AAN also believes that payment reform cannot exist without an emphasis on better care coordination of patients with chronic diseases, (e.g., stroke and dementia). The AAN supports alternative payment models, such as bundled payments and shared savings because these models recognize the value of care coordination and collaboration among physicians. Neurologists often provide the majority of E/M services for patients with chronic conditions such as Alzheimer’s disease, epilepsy, and Parkinson’s disease. In this role, they are responsible for the ongoing treatment, management and follow-up of their patients. The AAN is concerned, however, that some payment reform models limit reimbursement given for care coordination to primary care when neurologists can also spend significant time providing on-going care coordination for patients with complex neurologic diseases. \textbf{Therefore, the AAN recommends that new care coordination models should give incentives not only to primary care physicians, but neurologists and other cognitive specialists who provide the majority of E/M services to participate in a medical neighborhood for patients with complex chronic conditions. The AAN also recommends that many of the structural and process details for these models should be determined by local systems, i.e. ACOs, rather than federal oversight.}

The AAN appreciates the opportunity to provide comments on this important topic and looks forward to further dialogue with the Commission. Should you have questions about our
comments or require further information, please contact Daneen Grooms, Manager of Regulatory Affairs, at dgrooms@aan.com or (202) 525-2018.

Sincerely,

Bruce Sigsbee, MD, FAAN
President, American Academy of Neurology

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