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At the breaking point?

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Dr. Anuj Bhargava, an endocrinologist with the Iowa Diabetes and Endocrinology Center, says he's convinced the tests performed with the central DXA machine shown here have helped his patients avoid osteoporotic fractures. Photo by Duane Tinkey

Doctors say it's the "gold standard" for diagnosing the onset of osteoporosis and preventing costly, painful fractures that can greatly shorten seniors' lives.

However, after a decade of progress in getting more Americans at risk for the disease to get a relatively low-cost bone-density test, physicians are now concerned that slashed Medicare funding will force them to stop offering the tests.

The problem is just one symptom of a much larger crisis, as doctors across the country brace for a possible 10.1 percent across-the-board cut in the reimbursements they receive from Medicare at the end of this year.

Unless Congress acts before Dec. 31, scheduled cuts to Medicare under the Deficit Reduction Act will reduce reimbursements to physicians by 10.1 percent, with Iowa sustaining an additional 2 percent cut when a temporary fix to a geographic-adjustment formula expires. Those reductions are separate from the specific cuts scheduled for the bone density tests, and would be much more far-reaching.

Osteoporosis has already reached epidemic proportions in America's aging population. Experts say one out of every two American women 50 or over, and one-quarter of over-50 men, will suffer a fracture due to that disease.

Lower reimbursement, fewer procedures

When asked if Medicare payment cuts for bone density screening procedures would cause them to stop providing the procedure for existing Medicare patients, a May 2007 survey of 669 physicians that provide the screenings found that:

- 36% will stop at 2007 rates
- 45% will stop at 2008 rates
- 91% will stop at 2009 rates
- 93% will stop at 2010 rates

Potential impact of Medicare physician payment cuts in Iowa

Iowa physicians could lose **\$140 million** for the care of elderly and disabled patients over the next two years, due to a 10 percent cut in Medicare payments for 2008 and an additional 5 percent cut scheduled in 2009.

In 2008, Iowa physicians face cuts of an **additional 2 percent** on top of the 10 percent cut. The 2003 Medicare law provided a temporary increase in geographic payment adjustments for certain states. This increase is set to expire at the end of the year.

Iowa ranks **16th highest** among states in the proportion of Medicare patients, and at 13 practicing physicians per 1,000 beneficiaries, ranks close to last among states in

Currently, Medicare reimburses doctors' offices approximately \$81 for each of these central DXA (dual energy X-ray absorptionmetry) tests, which have a median cost of \$134. Those reimbursements, due to a combination of Deficit Reduction Act adjustments and what doctors say are flawed reimbursement formulas, are scheduled to plunge to \$35 over the next three years. In a national survey, more than one-third of doctors who offer the tests said they would discontinue them by the end of this year, and fully 93 percent said they would discontinue them at the 2010 reimbursement rate.

its ratio of physicians to Medicare beneficiaries. Forty percent of Iowa's practicing physicians are over 50, an age at which surveys have shown many doctors consider reducing their patient-care activities.

Source: American Medical Association

Ironically, 10 years ago Congress passed the Bone Mass Measurement Act, which called for increased osteoporosis education and screening. It resulted in a doubling of Medicare claims for bone density scans in the next five years to 2.5 million claims in 2004. Still, only 14 percent of women at highest risk for the disease are being screened.

Business decision

About 50 million Americans suffer from osteoporosis, a disease that reduces bone mass and increases the risk of fractures. At least 1.5 million people in the United States suffer an osteoporosis-related fracture each year, leading to more than 800,000 emergency room visits. Estimates of the direct costs of medical care related to osteoporosis range from \$12.2 billion to \$17.8 billion annually, and are expected to increase to more than \$25 billion by 2025.

For Dr. Anuj Bhargava, an endocrinologist with the Iowa Diabetes and Endocrinology Center who offers the test, eliminating it "would be like taking away fasting blood sugar as a test for diabetes," he said. "That's what bone-density testing is to osteoporosis."

A national study by an independent consulting group recently concluded that reinstating the reimbursement to the 2006 rate would actually save the Medicare program \$1.14 billion over five years, due to reduced fractures. On Nov. 19, 42 members of the U.S. House of Representatives co-sponsored a bill to reinstate the funding.

As Bhargava and other Iowa doctors shake their heads over the shortsightedness of the Medicare funding rules, medical offices like his across Iowa are already debating whether to discontinue the tests.

"We would like to continue to offer the service, but as in any business, you have to make decisions," Bhargava said. "As you keep losing more money, at some point you have to make that decision. I can envision a lot of people making that decision and saying, 'We just can't afford to offer it.'"

Physician reimbursements

Though the Senate Finance Committee is expected to introduce a funding package to extend physician reimbursements at the current rates as early as this week, some doctors believe they'll have to live with reductions at least temporarily. Last year, a suspension of the rate cut wasn't passed until January, though doctors were later reimbursed for the difference.

The scheduled 10.1 percent cut is due to a sustainable growth formula created 10 years ago

that ties Medicare payments to physicians to overall growth in the economy. When growth in physician expenditures exceeds the economic growth rate, the difference is subtracted from physicians' payments.

Sen. Chuck Grassley, the Finance Committee's ranking member, in October proposed a one-year suspension of the scheduled reduction, which would require a smaller decrease in payments to private Medicare Advantage plans to offset the cost.

Congress needs to move beyond quick fixes to find long-term solutions to fairly reimburse physicians, said Dr. Michael Kitchell, an Ames neurologist and chairman of the Iowa Medical Society. If it doesn't, he said, doctors will scale back the number of Medicare patients they're willing to see, and in the long run the state will face more difficulty in recruiting doctors.

"When physicians are overworked and running behind, they're going to say, 'I'm going to limit the number of Medicare patients I'm going to see,'" he said. "That means those patients have to go to the next physician who will. It just sets off a cascade of decreased access for our senior citizens."

Additionally, new doctors who have the choice of practicing in high-reimbursement areas such as California or Chicago are more likely to choose those markets over Iowa, where they would have to work harder to make up for the lower reimbursements, Kitchell noted.

A series of year-end emergency Medicare funding fixes by Congress have resulted in physician reimbursement rates that haven't increased since 2002.

"So when we get this cut, it's actually going to be 10 percent less than six years ago," Kitchell said. "In the meantime, physicians have had to purchase new equipment, invest in new electronic medical records systems. This really is a crisis."

Kitchell said bone-density screening is one of hundreds, if not thousands, of issues that Medicare has mismanaged.

"Medicare, instead of rewarding us for quality, they keep penalizing us geographically," he said. "I think it's time these Medicare people explained to the people of Iowa why we're paying the same premiums, but seeing such differentials in payments."

Staying afloat

Ed Brown, chief executive officer of The Iowa Clinic, said his clinic has no choice but to be available for Medicare patients.

"We're it," he said. "We can't just say, 'We're not going to see these people.' But I do fear that at some point the physician community is going to say, 'Enough is enough.' You just can't continue to see patients if there isn't enough money. But for now our plans aren't to do that. We are hopeful our senators will resolve this in the short term, and that they will find a long-term solution to this."

Meanwhile, The Iowa Clinic and other practices are employing more "physician extenders" such as nurse practitioners and physician assistants to allow doctors to spend more time with patients with acute ailments. "We're continuing to try to find ways to become more efficient in our care," Brown said. "That's become an ongoing process for practices around the country as

we try to meet the challenges of (reduced) reimbursements."

De Ann Weuve, clinic director at Iowa Radiology's Clive office, said technician reimbursements for diagnostic X-rays were already cut by 20 to 30 percent in January of this year.

"There is talk that many imaging centers may not survive because of the cuts," said Weuve. She said the radiology practice has tried to compensate by staying open longer and offering Saturday hours to attract more physician referrals.

"You have to do more to stay afloat, but we have to get referrals to get them here," she said. "We can't order X-rays ourselves; we have to wait for someone outside to order them. It means doing more for less."

Though Iowa Radiology doesn't offer central DXA testing for bone density, it provides a CT bone-density test because it already has that equipment in place, Weuve said. Medicare will only pay for initial screening with the CT, she said; patients have to obtain a waiver to obtain followup tests or otherwise must pay for it out-of-pocket.

"We're doing less scans, partly because doctors are putting (the central DXA machines) in their offices, but partly because Medicare patients can't afford to pay for the second scan," she said.

Bhargava said he has yet to hear of a physician practice that has eliminated the central DXA test, but the possibility is real for many over the next couple of years.

"We have discussed this in our practice; we haven't done anything yet," he said. "It's the only way to really monitor patients over time."

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