Data trove shows U.S. doctors reap millions from Medicare

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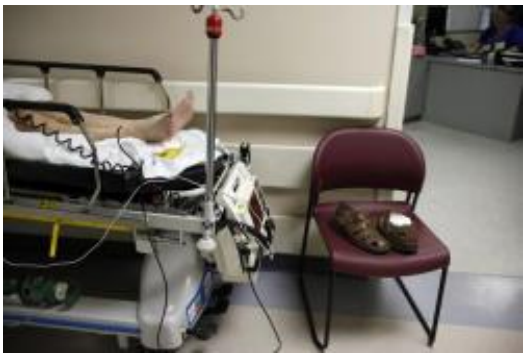

By Sharon Begley and M.B. Pell

NEW YORK (Reuters) - In 2012, an enterprising ophthalmologist in south Florida received $20.8 million in Medicare payments, the highest amount the government health plan for the elderly paid an individual provider that year, according to a preliminary analysis of federal data.

A family-practice doctor in Maryland may have received an average of more than $86,000 per patient that year, according to a Reuters review of the data. And a California laboratory apparently received $190 million, the most Medicare paid a single entity in 2012.

After decades of litigation and over the strenuous objections of the American Medical Association, the leading U.S. doctors group, the federal Centers for Medicare and Medicaid Services (CMS) on Wednesday made public for the first time how much Medicare pays individual doctors.

The massive data release, totaling nearly 10 million lines, also includes which medical services each of more than 880,000 physicians and other healthcare providers nationwide billed Medicare for in 2012.

"While the data are not perfect, this is a major milestone in healthcare transparency," said cancer surgeon Marty Makary of Johns Hopkins School of Medicine, whose 2012 book, "Unaccountable," argues for making public more information on doctors and hospitals.

In addition to allowing patients to see which doctors perform a particular procedure most frequently - often a proxy for expertise in rare and difficult surgeries such as colon operations - the data are expected to offer a roadmap to where waste and fraud are most rampant not only in the Medicare program but throughout the American healthcare system.

"If you see that a doctor is doing a procedure hundreds or thousands of times that should be done only on a small number of patients, you wonder," said Dr. John Santa, medical director of Consumer Reports. "Are they committing fraud by billing for something they're not actually doing, doing unnecessary procedures because they're greedy, or do they practice someplace where so many people need the procedure?"

Medicare paid physicians, physical therapists, nurse practitioners, chiropractors and other individual providers $77 billion in 2012. About two-thirds of Medicare's total $540 billion in payments that year went to hospitals and most of the rest to prescription drugs.

The providers on the list all participate in Medicare Part B, which covers services from eye exams and physical therapy to knee replacements, cataract surgery and CT scans.

Doctors are not required to accept Medicare, which covers some 50 million elderly and disabled Americans, but most do. Excluding pediatricians, 91 percent of U.S. doctors accept new Medicare patients, according to a 2013 report from the Kaiser Family Foundation, and even more continue to see existing Medicare patients.

'COMPLICATED' CASES

The data released on Wednesday include the names and addresses of physicians who submitted claims to Medicare in 2012, along with the codes for the approximately 6,000 services Medicare covers. It lists the number of times providers billed for each service, the average submitted charge and how much that deviated from the national norm.

The billing information is expected to indicate which physicians, therapists or others claim an inordinately high number of complicated cases. If a case is particularly complex, Medicare allows them to add a "modifier" to the code they use for billing and claim higher reimbursement.

"You'll be able to see back surgeons whose average bill is $50,000 because they say almost all of the spinal fusions they do are more complicated than the usual, and others whose average bill is $5,000" because they rarely classify the procedures as extra-complicated, said Santa.

According to the 2012 data, 344 clinicians each received more than $3 million from Medicare Part B.

That alone is not evidence of fraud, experts warned. But it can warrant additional scrutiny.

Last December, the inspector general of the Department of Health and Human Services, CMS's parent agency, found that 303 clinicians each collected more than $3 million from Medicare Part B in 2009, triggering "improper payment reviews" for 104. Those

reviews identified $34 million in overpayments. Three of the clinicians had their medical licenses suspended; two were indicted.

Although CMS has had the data all along, outside healthcare experts are eager to scrutinize it, said healthcare analyst and Medicare expert Cristina Boccuti of the Kaiser Family Foundation. One thing they will look for is high-volume doctors. If some providers are billing for many more services per patient than others in the same community, she said, it could indicate overtreatment.

Those experts will also be looking for regional disparities, Boccuti said. Since the 1990s, the Dartmouth Atlas of Health Care, a project of Dartmouth College's health policy institute, has documented vast differences between cities in the frequency of various medical procedures.

Doctors in McAllen, Texas, perform five times as many coronary-bypass surgeries per 1,000 Medicare patients as those in Pueblo, Colorado, the Dartmouth project has found. Yet patients in high-volume cities are no sicker.

1979 INJUNCTION

Consumer groups and media outlets have been trying to get the Medicare physician data since Jimmy Carter was in the White House. In 1979, after federal officials planned to release it, the AMA and the Florida Medical Association sought an injunction to stop them on the grounds that making the information public would violate physicians' privacy. A federal judge in U.S. District Court in Jacksonville, Florida, ruled in the medical groups' favor.

Last May, however, a judge in the District Court lifted the ban in response to a Freedom of Information Act (FOIA) request made by Dow Jones & Co, publisher of the Wall Street Journal, despite the continuing opposition of the AMA.

Last week, AMA president Dr. Ardis Dee Hoven said the group "is concerned that (the government's) broad approach to releasing physician payment data will mislead the public into making inappropriate and potentially harmful treatment decisions and will result in unwarranted bias against physicians that can destroy careers."

After CMS was deluged with FOIA requests for the data, it invoked a law that requires federal agencies to openly publish "frequently requested" information.

The data are not exactly user-friendly. CMS said on Tuesday that it would post the information on its website, www.cms.gov, but it is not easily searchable.

Still, a determined patient could see, for instance, that a particular physician performs an operation only one way. Hopkins' Makary offers the example of a hysterectomy, which can be done as open abdominal surgery, vaginally or laparoscopically (through a tiny incision).

"When discussing your options with a physician," he said, "that's useful information to know," since it can indicate that the physician does not tailor procedures to patients' specific circumstances.

Healthcare watchdogs are optimistic that the data will also reveal which physicians are abusing the system by billing for medically unnecessary procedures, which along with fraud are estimated to account for one-third of the $2.8 trillion in annual U.S. healthcare spending.

(Reporting by Sharon Begley and M.B. Pell; Editing by Michele Gershberg and Prudence Crowther)
