

## Medicare claims data release

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Since 2014, the Centers for Medicare & Medicaid Services (CMS) has publicly released physician Medicare claims data that identifies individual physicians and outlines the costs and services provided to Medicare patients.

The AMA is committed to transparency; however, there are concerns that releasing such raw information without context can lead to inaccuracies, misinterpretations and false conclusions. The AMA has cautioned those relying on the data about the limitations of this information and has highlighted the need for better access to care quality information and more comprehensive data sources.

### What the data includes

The Medicare claims data released by CMS is organized by an individual physician's National Provider Identifier (NPI) and Healthcare Common Procedure Coding System code. The data includes:

- Name, address, gender and specialty
- Number and type of services provided
- Number of Medicare patients treated
- Average and standard deviation in charges
- Allowed amount
- Total amount paid by Medicare

CMS does not currently have a process to report any inaccuracies. Physicians can email complaints or questions to CMS at [MedicareProviderData@cms.hhs.com](mailto:MedicareProviderData@cms.hhs.com).

### The data's limitations

Although released data contains massive amounts of information, it only paints a partial picture. The limitations could lead to inaccurate conclusions about individual physicians:

- The data could contain errors. When there are issues, physicians do not have a way to correct the reported information.
- Care quality cannot be assessed from the information reported. The data set focuses solely on payment and utilization of services and does not include explicit information about the quality of care provided.
- The reported number of services may be misleading. For instance, residents and other health care professionals under a physician's supervision can file claims under his or her NPI. That may make it appear that the physician performed more services than was actually the case. Similarly, many surgeons will appear to have highly inflated utilization rates. This is due to not accounting for modifiers, such as those associated with assistants at surgery and co-management. Services, which can be split into technical and professional components, may also be over counted. Conversely, data for some physicians are missing or incomplete. This is because some or all of their care was billed under their group practice's NPI or because CMS excluded services performed for 10 or fewer Medicare beneficiaries to protect patient privacy.
- Billed charges and payments are not the same. CMS will report both the physician's billed charge and the actual amount paid, which is set by the Medicare Physician Fee Schedule. However, payments are generally much less than what is billed.
- The data set does not include all of the physician's patients. The database only includes fee-for-service Medicare patients. Without information for privately insured patients, the total number of times a physician does a particular procedure cannot be determined. Failure to include Medicare Advantage patients will also skew regional comparisons of physician practices.
- Payments vary based on where services were rendered. To reflect a difference in the practice costs, Medicare pays physicians less for services provided in a hospital outpatient department than for services provided in their office. But Medicare makes another payment to the facility to cover its practice costs when services are provided in the outpatient department. That means the total costs to Medicare and the patient are often higher when a service is provided in a facility setting.
- The data set does not enable clear comparisons of physicians. Specialty descriptions and practice types are not specific enough to allow clear comparisons. So physicians who appear to have the same specialty could serve very different types of patients and provide a dissimilar mix of services. This makes some subspecialists appear to be "outliers."
- Important information is missing. The data set does not account for patient mix or demographics. Also, the information does not point out that a significant share of Medicare payments are used to cover costs, such as office overhead, employee salaries, supplies and equipment.
- Coding and billing rules differ over time and across regions. In any analysis, changes to Medicare's coding and billing rules need to be taken into account. That is because these rules frequently change over time and across different parts of the country. In addition, some

physicians, such as pathologists, may bill as either physicians or suppliers. However, only claims billed by physicians are included in the data.

## Patient or media inquiries

When asked about the data or other information on charges or payments, physicians should give the data context. Though circumstances vary, important clarifications can be made using this Fact sheet for patients on Medicare data release (PDF) or customizable Word file (DOCX). Both include the data limitations that patients should keep in mind.

Also, physicians should mention that 75% of health care providers receive less than \$85,000 in Medicare payments, with the median being \$30,000. Those payments are not the physician's personal income, but practice revenue. The money helps cover business expenses, such as rent, insurance, equipment, utilities and employee salaries. According to CMS's Medicare Economic Index, those costs may make up about half of the payments. In many cases, they are even higher.

In addition, since data is reported by NPI, all individual charges may not appear because claims were filed under a physician's group NPI. Also, some services go unreported because CMS chose to exclude services performed on 10 or fewer Medicare beneficiaries. Others may be over-reported because the services performed by colleagues are attributed under their NPI.

Finally, the data reflects only quantity, not quality, outcomes, necessity or comparison with services for non-Medicare patients. Because of that, patients and others should not assess physicians based on the Medicare data alone.

## Read AMA's position

In a May 15, 2014 letter to CMS (PDF), the AMA agreed that the data would be a key ingredient in any successful effort to move toward a value-based Medicare payment and delivery system. However, releasing raw data, like that provided by CMS, can be potentially harmful. Instead, the AMA is working to provide more meaningful and actionable information to physicians and patients, including information on the quality of care.