ama-assn.org
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January 29, 2025

Lindsey Baldwin
Director, Division of Practitioner Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Ms. Baldwin:

The American Medical Association (AMA) has concluded an effort to collect updated physician practice data for potential use in the Resource-Based Relative Value Scale (RBRVS), the physician fee-for-service payment system maintained by the Centers for Medicare & Medicaid Services (CMS). This multi-year effort, initiated by a request from the AMA House of Delegates, was fully funded by the AMA, with the endorsement of more than 170 organizations. This endorsement included national medical specialty societies, state medical associations, and other health care organizations.

The AMA contracted with Mathematica, an independent research company with extensive experience in survey methods as well as care delivery and finance reform, to conduct the data collection effort, the Physician Practice Information (PPI) Survey. Medscape also joined the effort, conducting a survey of physicians for time spent in direct patient care to supplement the time information collected by Mathematica. The AMA invested significant resources in retaining these well-respected organizations and in enlisting the expertise of AMA economists and physician payment policy staff. Numerous physician leaders and financial leaders from practices and health systems devoted time to reviewing the survey collection tool and providing information on the current environment of cost accounting within practices.

CMS, working with the RAND Corporation, has explored changes to the methodology used to compute the practice expense relative value component of the RBRVS. CMS also has announced an intention to update the weights of work, practice expense, and professional liability relative values within the RBRVS via updates to the Medicare Economic Index (MEI). In sharing the data obtained via the PPI Survey, the AMA understands that these data may better inform these considerations. All changes made to the RBRVS data and methodology are first open to public comment after publication in a Proposed Rule. We would urge CMS to publish a detailed impact analysis for any considered methodological changes or data updates in order to inform public feedback.

The attached documents are as follows:

- Table 1. Results from the 2024 PPI Survey. The PPI Survey collected usable data from 831 practices/departments, representing 18,086 physicians. For 18 specialties, or categories of specialties, the following summary data are reported in Table 1: annual direct patient care hours; practice expense per hour (by category required for CMS current methodology); compensation per hour; professional liability insurance premium per hour; number of responses at the department level; and number of physicians who belong to the departments of the responding practices. Also included are the nurse practitioner and physician assistant data submitted by approximately 10% of the responding practices. This information is provided with the understanding that CMS does not currently utilize claims from nurse practitioners and physician assistants in its methodology. It should be noted that most practices in the survey with these health care professionals were not able to directly allocate costs to them.

- Table 2. Physician Specialty Mapping for the 2024 PPI Survey. While the initial goal was to collect data for 30+ Medicare specialties (or combinations thereof) we were unable to compute summary data at that granular a level for a variety of reasons. First, despite the best efforts, response rates were small for some specialties. Second, and more importantly, many practices and health systems do not cost account at a granular level. Table 2 shows our mapping between Medicare specialties and the 18 broader specialties for which we provide estimates and illustrates both issues. For example, family medicine, internal medicine, pediatric medicine, and five other Medicare specialties are included together as “primary care.” In addition, 19 departments reported combined expense data for primary care specialties indicating they do not cost account at the granular Medicare specialty level. Another example is “cardiology,” which includes cardiology and all subspecialties of cardiology. In total, 99 of 831 practice/department level responses (12%) were for specialties that were combined by the responding practice.

- Mathematica Methodology Report for the Physician Practice Information Survey. Mathematica provided a detailed report outlining the process and methodology used for this project. Detailed descriptions of sample frame development, sample selection, and weighting methods are included.

Mathematica separately contracted with Independent Diagnostic Testing Facilities, Independent Labs and eleven other non-MD/DO healthcare professional organizations to collect data using the same methodology as the PPI. Data from these efforts will be separately provided to CMS.

The AMA looks forward to addressing any questions that CMS may have in reviewing and considering this information. Please contact Carol.Kane@ama-assn.org or Sherry.Smith@ama-assn.org with questions.

Sincerely,

Carol K. Kane

Carol K. Kane, PhD
Director, Economic & Health Policy Research

cc: Sherry L. Smith, MS, CPA
Attachments