EWU study sheds some light on 'physician flight'

No evidence found that docs have fled to Idaho for better Medicare reimbursements

By Paul Read

While the medical community here remains concerned that physicians might be leaving or avoiding the area due to low reimbursements and high liability insurance premiums, a new Eastern Washington University study suggests that the number of doctors here has been rising and Medicare reimbursements alone can't be blamed for any “physician flight.”

The study’s principal author, EWU professor Lynne Bownds, concedes, however, that reliable data on these issues are scarce, and that much more research needs to be done before definitive conclusions can be reached.

Bownds conducted the study with fellow EWU professors Lori Geddes and Mary Ann Keogh Hoss for the school’s Institute for Public Policy and Economic Analysis. The research was done in 2003 and 2004, and published recently.

Among its findings were that:

• The total number of physicians in Spokane County rose 11.3 percent between 1998 and 2002, though the number of doctors in some specialties fell between 2000 and 2001. The number of physicians also appears to have been rising in Kootenai County, though an overall percentage of growth wasn’t available.

• Total Medicare payments in Spokane and Kootenai counties have been rising since 1998, and though the growth rate might be slightly higher in Idaho than in Washington, that only allowed Idaho to catch up to Washington in dollar terms.

• Only 23 percent of primary-care physicians in Spokane County were accepting new Medicare patients in 2002, compared with 75 percent who were accepting new private-pay patients. Such data weren’t available for Kootenai County, but interviews suggested that no primary-care physicians there were accepting new Medicare patients as of August 2003.

Bownds says the study wasn’t able to answer all the questions the medical community had when it suggested to the institute that such a study be done, but does provide some insight and serves as a starting point for further study.

Says Patrick Jones, the institute’s executive director, “By reimbursement alone, we couldn’t put the blame on Medicare for docs going to Kootenai County.”
Dr. Douglas Norquist, president of the Spokane County Medical Society, says people need to be careful not to draw many conclusions from the study, because the data the researchers had to work with weren’t sufficient.

Norquist says the study’s count of doctors likely is high because it tallies all licensed physicians, which can include doctors who aren’t practicing, who work part time, and who are here only temporarily.

Also, while the study looks at Medicare payments, it doesn’t address differences in private-pay reimbursements here and in Kootenai County, nor the difference in medical liability insurance costs, which he says are greater here.

As for Medicare payments, though the report shows that they have been rising at a higher rate than general inflation, they haven’t caught up with the faster-rising costs of operating a medical practice, Norquist says.

“Clearly, when you see a large number of physicians choosing not to take on additional Medicare patients, there is really something going on with their practices that tells them it won’t pencil out,” he says.

Indeed, the report says that one Coeur d’Alene physician estimates that primary-care physicians lose between $11 and $17 each time they see a Medicare patient in their office.

Bownds says the researchers would like to know more about what percentage of a physician’s billings are for Medicare, Medicaid, and private pay; what is happening with private-pay reimbursements, and how they vary from market to market; why doctors choose to set up practice in a specific market; and why they decide to leave.

The Institute for Public Policy and Economic Analysis now is working with the Spokane Regional Chamber of Commerce to seek federal money to fund more extensive research, which would be national in scope and would include creating data that don’t currently exist.

Among the study’s other findings were:

• That the 23 percent share of primary-care physicians here who were willing to take on new Medicare patients is far lower than the more than 70 percent of physicians nationally who were willing to do so, though the national number includes all types of physicians, rather than just primary care.

• The number of newly licensed physicians in Spokane County increased each year between 1998 and 2002, ranging from 34 to 58. However, between 2000 and 2001, the overall number of physicians in six specialty areas-neurology, general practice, family practice, cardiovascular disease, pulmonary disease, and obstetrics-gynecology-declined here.

• Spokane County experienced relatively lower growth rates in its number of physicians than Kootenai County, Idaho, Washington, and the nation as a whole.

• Medicare payments per enrollee by state rank Washington as 41st and Idaho has 39th. Payments in both states appear to be well below the national average.