

Vast trove of Medicare data details how billions are spent

1 June 2015, by Ricardo Alonso-Zaldivar

Joint replacement was the most common hospital procedure that Medicare paid for in 2013, accounting for nearly 450,000 inpatient admissions and \$6.6 billion in payments.

Among physicians, cancer specialists received the largest payments from Medicare, but much of their reimbursements went to cover the cost of the very expensive drugs to treat their patients.

Those were among thousands of details in a vast trove of Medicare billing data for 2013 released Monday by the Department of Health and Human Services.

Medicare turns 50 next month, and in the age of big data the more than \$600 billion that taxpayers spend annually on the program is getting closer scrutiny than ever. Medicare covers 55 million people, a number that keeps growing as baby boomers reach age 65 and sign up. A recent trend of moderating medical spending has not dispelled concerns about the program's long-term financial stability.

Monday's data marked the third year the government has released details on hospital spending, and the second year for physician reimbursements. Here are some of the pieces of a vast [health care](#) jigsaw puzzle:

KNEES AND HIPS

Nationally, major joint replacement procedures averaged about 12 per 1,000 Medicare beneficiaries.

But in some areas of the country, the rate was nearly twice as high or even greater. HHS said its analysis shows [joint replacement](#) surgery rates are highest in the Midwest and Rocky Mountain states.

Such regional variations have long been seen in Medicare data, and they remain a source of

debate.

Some experts say they are an indicator of waste in the health care system. Others say they reflect differences in the way medicine is practiced around the country.

SPECIALISTS GET TOP DOLLAR

Medicare spends more money in total dollars for the services of family-practice doctors and adult medicine specialists, the kinds of doctors who follow patients day to day, treating blood pressure problems, high cholesterol and other common conditions.

But on a per-visit basis, specialists command much higher reimbursement.

HHS says its analysis showed that anesthesiologists, orthopedic surgeons, ophthalmologists and emergency medicine doctors are among the most highly paid specialists.

DATA PUZZLE

Heart disease is the leading cause of death in the U.S., but a cursory look at Medicare's hospital billing files doesn't reflect that.

That's partly because heart conditions can be billed under many different payment codes.

For example, there are two major codes for heart failure, depending on the severity of the case. Heart failure is a progressive disease, as the heart gradually loses its ability to adequately pump blood through the body. The two major [heart failure](#) billing codes accounted for more than 390,000 hospital admissions in 2013.

Analysts must factor in bypass surgery, arrhythmias and other conditions for the full burden of heart disease to become clearer.

'MEDICARE MILLIONAIRES'

Last year's release of doctor payment data for 2012 revealed that a tiny group of physicians—344 out of more than 825,000—received \$3 million or more apiece from Medicare. That's a threshold that raises eyebrows for the government's own investigators. The HHS inspector general has recommended Medicare automatically scrutinize billings above a set level.

But some doctors complained that the data created a misleading impression about their practices, because their total reimbursement included medication costs.

HHS responded this year by fine-tuning its analysis. The government now says that drug costs account for a large portion of reimbursements for cancer doctors, ophthalmologists, rheumatologists and doctors who treat blood disorders.

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APA citation: Vast trove of Medicare data details how billions are spent (2015, June 1) retrieved 3 May 2021 from <https://medicalxpress.com/news/2015-06-vast-trove-medicare-billions-spent.html>

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