



AMERICAN ACADEMY OF PHYSICIAN ASSISTANTS

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LEGISLATIVE FACT SHEET

MEDICARE (PART B) COVERAGE OF PHYSICIAN ASSISTANT SERVICES

Relevant Legislation and Congressional Committees

On September 10, 1985, Congressman Ron Wyden (D-OR) introduced H.R. 3260, a bill to provide Medicare Part B coverage of physician assistant services. The bill was jointly referred to the Ways and Means Committee and the Energy and Commerce Committee.

On September 13, 1985, Senator Charles Grassley (R-IA) introduced S. 1640, a bill identical to the Wyden bill, to provide for Medicare Part B coverage of physician assistant services. This bill was referred to the Senate Finance Committee.

Background

The federal government has supported the development of the physician assistant profession since 1971 by providing funds for physician assistant educational programs. It has also supported research projects to investigate the practicality and wisdom of this investment. The studies overwhelmingly affirm the success of the PA programs in producing graduates who provide services in a manner which is cost-effective and which improves the quality of health care and access to health care in this country.

Covering all physician assistant services under Part B is the logical conclusion of a process that was begun several years ago. In 1977 Congress adopted the rural Health Clinic Services Act (PL 95-210) which provides for reimbursement of PA services provided in certified rural health clinics. PAs have to work under the supervision of a physician and reimbursement is to the practice, not the PA.

Later, in 1982, Congress moved to cover physician assistant services provided in Health Maintenance Organizations (HMOs) and Competitive Medical Plans (CMPs) that enter into certain contractual, risk-sharing arrangements with the Health Care Financing Administration. This was accomplished as part of the Tax Equity and Fiscal Responsibility Act (PL 97-248). As is the case with rural health clinics, PAs must be working under the supervision of a physician and reimbursement is to the practice (HMO or CMP) and not the PA.

The legislation presently pending in Congress seeks to build on the foundation that was laid by previous Acts of Congress. We are now seeking coverage of all PA services under Medicare Part B, regardless of the practice setting.

The Wyden-Grassley legislation is consistent with other sections of federal law covering physician assistant services in that it requires that PAs be under the supervision of a physician and that reimbursement be to the employer, not the PA. Furthermore, reimbursement would be at a rate slightly lower than the rate Medicare would have paid had a physician performed the service.

The Congressional Budget Office (CBO) has estimated that, "...no significant cost or saving to the government would be incurred as a result of enactment of this legislation." The revenue neutrality, when combined with increased access to health care for older Americans, makes this legislation a worthwhile endeavor.

Recommendation

The inconsistency in federal health policy should be remedied by enactment of the Wyden-Grassley proposal. Physician assistants have proven themselves to be cost-effective providers of quality health care. As a recent study in the August issue of the Journal of the American Geriatrics Society concluded, "...if Medicare and Medicaid reimbursement restrictions for physician extender (PAs and NPs) care were rescinded, then substantial cost savings could accrue to older patients, public programs, and third party payers without sacrificing quality or satisfaction."

The American Academy of Physician Assistants is seeking the support of all interested parties towards this goal. If you need additional information on this legislation, please contact:

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