

## **National Study to Document Changes in Physician Practice Expense**

The American Medical Association (AMA) is undertaking a new national study, supported by [173 healthcare organizations](#), to collect representative data on physician practice expenses. The aim of the [Physician Practice Information \(PPI\) Survey](#) is to better understand the costs faced by today's physician practices to support physician payment advocacy. The study will serve as an opportunity to communicate accurate financial information to policymakers, including members of Congress and the Centers for Medicare & Medicaid Services (CMS). The AMA has contracted with Mathematica, an independent research company with extensive experience in survey methods as well as health care delivery and finance reform, to conduct the study.

The Medicare physician payment schedule, maintained by CMS and used by many other payers, relies on 2006 cost information to develop practice expense relative values, the Medicare Economic Index and resulting physician payments. As the U.S. economy and health care system have undergone substantial changes since that time, including inflation and the wide-spread adoption of electronic health records and other information technology systems, practice expense payments no longer accurately reflect the relative resources that are typically required to provide physician services.

The study will rely on financial experts in the practice to complete an online financial information survey. The number of direct patient care hours is a critical component of the Medicare payment methodology. Therefore, thousands of individual physicians will receive a short patient care hours survey from either their practice directly or from Mathematica. The input from physician practices and individual physicians that are randomly selected to participate in this study is critical for its success. Participation will ensure that practice expenses and patient care hours are accurately reflected.