

NEWS FROM THE AMA
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AMA AND STATE MEDICAL SOCIETIES CALL ON INSURERS TO PUBLICLY DOCUMENT THE ACCURACY OF PHYSICIAN COST PROFILING

Studies show patients are getting error-filled physician profiles from health insurers

CHICAGO – In response to new evidence that patients are receiving inaccurate physician profiles from health insurers, the American Medical Association (AMA) delivered [letters](http://www.ama-assn.org/ama1/pub/upload/mm/368/rand-letter.pdf) (<http://www.ama-assn.org/ama1/pub/upload/mm/368/rand-letter.pdf>) today to the nation’s largest health insurance companies asking for immediate action to improve the accuracy, reliability and transparency of physician ratings.

The letters were cosigned by 47 state medical societies and called on each health insurer to publicly document the accuracy of their physician cost profiles by submitting the programs for external review by unbiased, qualified experts.

“Patients should always be able to trust that insurers are providing accurate and reliable information on physicians,” said AMA President Cecil B. Wilson, M.D. “Studies show that economic evaluations of individual physicians are so unreliable that they are more often wrong than right.”

A series of [studies](http://ama.pr-optout.com/ViewAttachment.aspx?EID=rhvBPIv6TFrQEnOBF28gCuZOTyUZZICHE6JYCxwGBpU%3d) (<http://ama.pr-optout.com/ViewAttachment.aspx?EID=rhvBPIv6TFrQEnOBF28gCuZOTyUZZICHE6JYCxwGBpU%3d>) recently conducted by researchers at RAND Corporation confirm the AMA’s longstanding contention that serious flaws exist in health insurer programs that attempt to rate individual physicians based on economic criteria. One RAND study shows that physician ratings conducted by health insurers can be wrong up to two-thirds of the time for some groups of physicians. Under the best circumstances, insurers misclassified one-fourth of all physicians. This and the other studies call into question the use of cost-profiling tools to control health care spending and provide the public with information.

“Transparent, accurate information is critical when selecting a physician,” said Dr. Wilson. “Patients deserve to know that insurers are offering physician ratings that have a high risk of error and should not be the sole basis for selecting a physician.”

“The AMA is committed to empowering patients to make informed health care decisions regarding their choice of physicians,” said Dr. Wilson. “Flawed physician profiling programs help no one and hurt many by causing confusion and apprehension among patients and eroding confidence and trust in caring physicians. Given the damage these error-filled reports can cause, insurers have an

important public responsibility to reevaluate whether physician cost profiling is working as intended.”

By working cooperatively with each health insurer to reevaluate physician profiling programs, the AMA and supporting state medical societies hope to address the concerns raised by the RAND studies.

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