

# Opinion: Physician payments should work toward health equity

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The current physician payment system does not adequately address the socioeconomic factors that impact patients' health outcomes, says the American College of Physicians (ACP) in a new position paper

published today in the *Annals of Internal Medicine*, *Reforming Physician Payments to Achieve Greater Equity and Value in Health Care: A Position Paper of the American College of Physicians*. This paper makes a series of recommendations about how new payment models should be designed to better account for social drivers that impact patient health.

"Socioeconomic factors such as age, zip code, transportation, income or education level, are clinically significant factors that influence and impact the quality and health outcomes of my patients," said Ryan D. Mire, MD, FACP, president, ACP. "Yet, our current physician payment system is insufficient in its effort to mitigate these factors or work toward improving health equity."

ACP proposes that the [health care system](#) could be reformed so that payment models no longer incentivize the volume of care that a physician provides. Instead, payment models should advance and support high-value primary and comprehensive care and health equity.

ACP's paper recommends that in order for the system to encourage health equity, we need:

- Medicare and other payers to adopt population-based, prospective payment models for primary and comprehensive care that are structured and sufficient to ensure access to needed care and address the needs of individuals who are experiencing health care disparities and inequities.
- Research about how to best measure the cost of caring for patients who are experiencing health care disparities.
- Medicare to be modified to establish a mechanism for savings to be calculated across all aspects of the program and to allow these savings to be reinvested back into primary and preventive care, as well as into social and public health services. ACP cautions that investment in primary care must not be predicated solely on

achieving short-term cost savings, given that [primary care](#) has broader societal benefit in improving [population health](#) and associated savings will often be longitudinal and take place over many years.

- The Secretary of Health and Human Services to be authorized to address the inadequacies within Medicare's Quality Payment Program. This includes developing policies and financial approaches to ensure that the Quality Payment Program as a whole begins to address such issues as inequity, health care disparities, and social drivers of health.
- Delivery and payment systems must fully support physicians, other clinicians, and [health care facilities](#) in offering all patients the ability to receive care when and where they need it in the most appropriate manner possible, whether that be via in-person visits, telehealth, audio only, or other means, particularly for those who are experiencing health care disparities and inequities.
- Adequate funding to be made available to support the development of effective health information technology systems and communication mechanisms, including adequate broadband availability, to ensure that delivery and payment reforms are able to address the needs of all patient populations.
- Federal and state policymakers and payers, [health plans](#), health systems, private-sector investors, and philanthropic institutions should develop and implement additional financing mechanisms beyond direct payment to clinicians and practices, such as grants and technical assistance, to support innovative approaches to address inequities, [health care disparities](#), and social drivers of health.

"We need a smarter health care system," concluded Dr. Mire. "One where the dollars that we spend help to improve high-value and comprehensive [health care](#) for all members of society and move us closer to health equity. The types of recommendations that ACP is

making in this paper would help us move closer to making that a reality."

**More information:** Brian E. Outland et al, Reforming Physician Payments to Achieve Greater Equity and Value in Health Care: A Position Paper of the American College of Physicians, *Annals of Internal Medicine* (2022). [DOI: 10.7326/M21-4484](https://doi.org/10.7326/M21-4484)

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