

# Medicare physician payment cuts action alert

Medicare physician payment rates are scheduled to be cut 10.6 percent on July 1, 2008, and an additional 5 percent or more on Jan. 1, 2009. As of April 1, there are only 91 days remaining for Congress to address this problem before the cut goes into effect.

- Medicare physician payment rates today are about the same as in 2001. Rapidly eroding margins are threatening the viability of medical practices, putting health information technology purchases out of reach and leading the large cohort of practicing physicians over 55 years of age to weigh retirement.
- Numerous surveys project a crisis in patient access if Medicare payments fall further behind practice cost increases:
  - In an AMA survey of almost 9,000 physicians, 60 percent said they would have to limit the number of new Medicare patients they treat if this year's pay cut is not stopped.
  - More than half the surveyed physicians said they could not meet their current payroll with a 10 percent Medicare pay cut and would be forced to reduce their staff.

- The Medicare Payment Advisory Commission reports that 30 percent of Medicare patients looking for a new primary care physician already have trouble finding one.
- The Medical Group Management Association finds that 24 percent of group practices already limit their acceptance of new Medicare patients.
- The Council on Graduate Medical Education is predicting the country will face a shortage of 85,000 physicians by 2020.
- An Association of American Medical Colleges workforce study found that 51 percent of physicians over the age of 50 cite "insufficient reimbursement" as a "very important" factor in retirement decisions.

Congress has promised America's current and future seniors access to medical care. Lawmakers must fulfill their promises by acting soon to enact legislation.

**Ask your senators to cosponsor S. 2785, the "SAVE MEDICARE ACT OF 2008."**

**Ask your representative to help enact legislation that:**

- Stops the pay cuts for 18 months
- Extends the positive 2008 update through the rest of the year and provides a positive 2009 update that covers increases in medical practice costs
- Does not increase the size or duration of Medicare physician pay cuts

