

Q&A

Is there really an access problem? The Government Accountability Office (GAO), The Centers for Medicare & Medicaid Services (CMS), and Medicare Payment Advisory Commission (MedPAC) say there's not.

- Although CMS, GAO and MedPAC have found that access isn't too bad right now, the American Medical Association (AMA) believes that is largely because Congress has acted in each of the last four years to postpone consecutive steep payment reductions. Both GAO and MedPAC have testified that there will be an access problem if these cuts go into effect.
- A MedPAC survey found that even before these cuts, 25 percent of Medicare patients looking for a new primary care physician have some problems finding one.
- The Congressionally created Council on Graduate Medical Education (COGME) has reported existing or looming physician shortages. In fact, COGME is predicting that, as baby-boomers enter Medicare, the country will experience a shortage of 100,000 physicians in the next 15 years.
- According to surveys by the AMA and the Medical Group Management Association (MGMA) 45 percent of physicians and 40 percent of group practices will be forced to limit the number of new Medicare patients they can accept when the first cut goes into effect Jan. 1, 2007.

Five percent doesn't seem like it would be that big of a deal. Can't physicians make do with a little less?

- Nearly half of physicians are looking at Medicare payment cuts of 6–20 percent, due to the following policies; the sustainable growth rate (SGR), expiring geographic adjustments, imaging cuts due to the Deficit Reduction Act, fee schedule adjustments based on the five-year review and changes in the practice expense methodology.
- In 2006, before these cuts occur, payment rates are no higher than in 2001. No business can sustain that kind of trend line. Doctors are small businesses and the costs of business are going up.

- Physicians have been trying to make do for years. To survive another negative update, physicians tell the AMA they will limit new Medicare patients, limit new Tricare patients, lay off staff, forego plans to invest in new medical equipment and IT, stop services like nursing home visits and close rural offices.
- These cuts are likely to ripple across the payor market and impact not only Medicare payments, but also payments from Tricare, Medicaid and private payors. Fifty-one percent of the payors responding to a recent AMA survey indicated that they utilize the Medicare conversion factor in determining their own conversion factor.

Why should Congress provide physicians with a positive update given that the volume of physicians services grows at such a rapid rate?

- Actually CMS reported in September that physician volume growth has slowed. Hospital outpatient services are growing much more rapidly than physician services and they are getting full market basket update.
- To a large extent, the SGR has made physicians the victims of their own success. Increased life spans, rising rates of treatable chronic diseases, medical advances, unprecedented drug development and a shift of care from hospitals to physician offices all result in higher use of physicians services which then trigger SGR pay cuts.
- Physicians are willing to work with the government to curb any care that is shown to be inappropriate.

Is the AMA going to fulfill the commitments it made on quality reporting in the agreement signed with the Committee Chairmen last year?

- The AMA will exceed its commitment to deliver 140 performance measures by the end of the year. These are clinical measures focusing on patient care.

