

Alabama seniors need Congress to act on Medicare cuts formula: Choice of physicians at risk

- Alabama is one of 21 states and the District of Columbia that made the American Medical Association's new "Access Hot Spots" list, which highlights areas where patients already face problems getting physician care, and the problem will get worse unless Congress repeals the broken Medicare physician payment formula. Alabama has just 13 practicing physicians per 1,000 Medicare beneficiaries. There are 487 emergency visits per 1,000 population and 19% of the state's residents live in a health professional shortage area. Nearly 16% of state residents report not seeing a doctor in the past 12 months due to cost.
- According to the 2009 Medicare Trustees report, on January 1, 2010, Alabama physicians face an across-the-board cut of 21.5%, with the cuts growing to about 40% by 2014 due to a flawed payment update formula, the Sustainable Growth Rate or SGR.
- By repealing the SGR formula, Congress can avert these cuts. SGR repeal would prevent a loss of \$240 million in 2010 for the care of elderly and disabled patients in Alabama. **On average, legislation to repeal the SGR would prevent cuts of \$24,000 to each Alabama physician next year.**
- Unlike previous short-term "band-aids" that Congress has adopted to stave off cuts, health system reform legislation should include provisions to eliminate all of the forecast SGR cuts and put in a place a new update formula. Repealing the SGR formula would prevent losses of \$3.7 billion to Alabama physicians over the next five years for the care of elderly and disabled patients.
- 44,209 employees, 726,596 Medicare patients and 203,085 TRICARE patients in Alabama will be helped by the legislation that averts these cuts.
- Compared to the rest of the country, Alabama, at 16 percent, has an above-average proportion of Medicare patients and, at 21 percent, an above-average proportion of disabled beneficiaries.
- 29% of the state's Medicare beneficiaries age 65 and over live below 150% of the federal poverty level.
- 42 percent of Alabama's practicing physicians are over 50, an age at which surveys have shown many physicians consider reducing their patient care activities.
- Legislation is also needed to extend a temporary increase in Medicare geographic adjustments for certain areas which is set to expire at the end of 2009. In 2010, therefore, the legislation would prevent an additional 1% cut in payment rates for Alabama physicians on top of the 21.5% cuts across the country.

