

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

- Colorado residents face several issues with choice of physicians and access to care: 9.3% of the state's residents live in a designated primary care shortage area; 13.7% report that they could not see a doctor in the last 12 months due to cost; there are 318 emergency department visits per 1,000 population in the state; and 23% of the state's Medicare beneficiaries age 65 and over live below 150% of the federal poverty level.
- According to the 2009 Medicare Trustees report, on January 1, 2010, Colorado 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 \$120 million in 2010 for the care of elderly and disabled patients in Colorado. **On average, legislation to repeal the SGR would prevent cuts of \$9,000 to each Colorado 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 \$1.9 billion to Colorado physicians over the next five years for the care of elderly and disabled patients.
- 44,023 employees, 498,450 Medicare patients and 214,738 TRICARE patients in Colorado will be helped by the legislation that averts these cuts.
- 42 percent of Colorado'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 0.7% cut in payment rates for Colorado physicians' Medicare services on top of the 21.5% cuts across the country.

