

South Dakota seniors again face Medicare physician access crisis: Congress must act now on a long-term solution

- South Dakota seniors can face significant challenges obtaining access to physicians. These challenges will get much worse unless Congress acts very soon to permanently prevent steep cuts in Medicare payment rates. At just 13 practicing physicians per 1,000 Medicare beneficiaries, South Dakota is well below the national average. More than one in four South Dakota residents is living in a primary care shortage area, and 28 percent of the state's Medicare beneficiaries are living below 150 percent of the federal poverty level. South Dakota is also one of 29 states and the District of Columbia that have imposed cuts in services for the low-income elderly, such as home care and rehabilitation.
- On January 1, 2013, South Dakota Medicare physician services face an across-the-board pay cut of about 30 percent, due to a flawed payment formula, the Sustainable Growth Rate (SGR), created by Congress.
- Congress needs to avert these cuts and eliminate the formula that leads to this annual crisis. SGR legislation would prevent a loss of \$60 million annually for the care of elderly and disabled patients in South Dakota. On average, a cut of this magnitude will reduce 2013 practice revenues by \$27,000 per South Dakota physician, which will worsen access problems and make it extremely difficult to pay for office space and other expenses and avoid staff layoffs.
- 9,874 employees of medical practices, 135,617 Medicare patients and 31,602 Tricare patients in South Dakota will be helped by the legislation that averts these cuts.
- Compared to the rest of the country, South Dakota, at 17 percent, has an above-average proportion of Medicare patients.
- 45 percent of South Dakota's practicing physicians are over 50, an age at which surveys have shown many physicians consider reducing their patient care activities.

