

Impacts of Medicare physician payment cuts and H.R. 6331 in Louisiana

- Louisiana physicians would have lost \$180 million for the care of elderly and disabled patients over the 18 months from July 2008 through December 2009 due to a 10.6 percent cut in Medicare payments in July 2008 and an additional 5 percent cut in 2009. On average, each Louisiana physician was facing a Medicare cut of \$17,000 over this 18-month period. H.R. 6331 replaced the cuts with positive updates by continuing the June 2008 rates through December 2008 and providing an additional 1.1% positive update for 2009.
- H.R. 6331 only prevents the cuts for an 18-month period. On January 1, 2010, physicians face a 21% cut, which will grow to about 40% cumulative cuts by 2016 unless Congress replaces the flawed payment update formula. By 2016, the state's physicians will lose \$3.1 billion for the care of elderly and disabled patients.
- 39,296 employees, 581,345 Medicare patients and 125,230 TRICARE patients in Louisiana will be affected by these cuts.
- Compared to the rest of the country, Louisiana, at 14 percent, has an above-average proportion of Medicare patients and, at 18 practicing physicians per 1,000 beneficiaries, has a below-average ratio of physicians to Medicare beneficiaries, even before the cuts take effect.
- 43 percent of Louisiana's practicing physicians are over 50, an age at which surveys have shown many physicians consider reducing their patient care activities.
- H.R. 6331 also extended a temporary increase in Medicare geographic adjustments for certain areas which had been set to expire on June 30, 2008. Physicians in the New Orleans area were facing cuts of an additional 0.7 percent on top of the 10.6 percent cuts across the country and physicians in the rest of Louisiana were facing additional cuts of 1.7 percent. H.R. 6331 extended the geographic payment adjustments until December 31, 2009.

