

Impacts of Medicare physician payment cuts in Maine

- The Medicare Improvements for patients and Providers Act of 2008 (MIPPA) replaced scheduled double-digit Medicare cuts with a 1.1% increase for 2009. However, on January 1, 2010, Maine physicians face an across-the-board cut of 21%, producing a loss of \$60 million for the care of elderly and disabled patients. **On average, each Maine physician is facing a Medicare cut of \$14,000 next year.**
- This 21% cut will grow to about 40% in cumulative cuts by 2016 unless Congress acts soon to replace the flawed payment update formula and reform Medicare's physician payment system. Otherwise, by 2016 the state's physicians will lose \$900 million for the care of elderly and disabled patients.
- 14,133 employees, 223,962 Medicare patients and 47,343 TRICARE patients in Maine will be affected by these cuts.
- Compared to the rest of the country, Maine, at 17 percent, has an exceptionally high proportion of Medicare patients and, at 18 practicing physicians per 1,000 beneficiaries, Maine has a below-average ratio of physicians to Medicare beneficiaries, even before the cuts take effect.
- 47 percent of Maine's practicing physicians are over 50, an age at which surveys have shown many physicians consider reducing their patient care activities.
- MIPPA also extended a temporary increase in Medicare geographic adjustments for certain areas which will expire at the end of 2009. In 2010, therefore, physicians in the "Southern Maine" Medicare payment area face cuts of an additional 1.1% on top of the 21% cut across the country and those in the "Rest of Maine" area face additional cuts of 21%.

