

Part B Insider (Multispecialty) Coding Alert

Studies and Surveys: AMA To Congress: If You Cut Doctor Pay, You'll Hurt Seniors

Nearly 1 in 5 physicians will decrease their current Medicare patient load

If Congress doesn't head off the 4.3-percent cut the law requires for physician payments next year, Medicare beneficiaries will pay the price.

So warned **American Medical Association** president **Edward Hill** in an April 5 briefing. Based on an AMA survey of its member physicians, Hill said 38 percent of physicians will decrease the number of new Medicare patients they accept, and 18 percent will decrease the number of established Medicare patients they treat, if payments plummet next year as planned.

Not a first: The AMA has made this argument before about cuts as well as soaring malpractice payouts, Hill admitted. "If you look at history, it will tell you that doctors will complain, but then take what they get and keep seeing Medicare patients," said Hill. But the AMA isn't just crying wolf: Medicare may be reaching the point where physicians can't afford to go on.

The costs of running a medical practice, which went up by 41 percent from 1991-2005, are expected to increase another 15 percent in the six years beginning in 2006. Meanwhile, Medicare payments are expected to drop 26 percent from 2006 to 2011. The AMA wants Congress to scrap the "sustainable growth rate" formula which links physician pay to the gross domestic product and replace the formula with a system similar to those Medicare uses to compensate other types of providers. But the **Congressional Budget Office** has warned that change would cost upwards of \$45 billion over five years - a stiff price tag in today's tight climate.

Most observers expect Congress to enact a temporary fix instead. This would give physicians a one or two year payment bump, perhaps conditioned on the reporting of quality information to pave the way for a pay-for-performance system in coming years.