

# Uncertainty Over Medicare Pay Raises Concerns

Ricardo Alonso-Zaldivar, AP

For the third time this year, Congress is scrambling to stave off a hefty pay cut to doctors treating Medicare patients, even as the Obama administration mails out a glossy brochure to reassure seniors the health care program is on solid ground.

The 21.3 percent cut will take effect June 1 unless lawmakers intervene in the next few days. Recurring uncertainty over Medicare fees is making doctors take a hard look at their participation in a program considered a bedrock of middle-class retirement security. If the problem is allowed to fester, it could undermine key goals of the President's health care overhaul, which envisions using Medicare to test ideas for improving the quality of care for all Americans.

Doubts about Medicare's stability can also create political problems for Democrats in the fall elections, since polls show seniors are worried about the impact of the remake on their own care. "We will not have that cut," vowed House Speaker Nancy Pelosi.

How lawmakers will resolve the problem is unclear. Initially, Democrats had talked about a five-year fix, then three years. Now leaders are proposing postponement through the end of 2011. "It is disappointing that Congress is considering shorter temporary action at the 11th hour," said James Rohack, president of the American Medical Association. "The current payment system is fatally flawed, and delaying solving the problem will make it bigger and harder to handle."

Abolishing the cuts altogether, as the AMA wants, would be expensive, an estimated \$200 billion or more over 10 years. But doctors say they've had it with temporary reprieves that don't eliminate the underlying threat. "In the past two years, (lawmakers) keep coming up to the deadline — or a little past it — and waiving the cuts for shorter and shorter periods of time, which makes us uneasy," said Dr. Susan Crittenden, a primary care physician practicing near Raleigh, N.C.

"The current uncertainty about what the fee schedule will be, and whether at some point there will be a 20 percent cut, makes it harder to accept new Medicare patients," Crittenden said. Although government surveys indicate that Medicare beneficiaries' access compares favorably to that of privately insured patients, doctors and patients say that's not always the case.

Crittenden's practice takes very few new Medicare patients, since the program pays her medical group well below private insurers' rates. "I like to take care of older adults, but I have rent to pay, and a staff to pay," she explained.

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Some longtime Medicare advocates fault Congress and the Obama administration for not dealing with the doctor cuts during the marathon health care overhaul debate. That would have pushed the cost of the legislation above the \$1 trillion, 10-year limit Obama set.

Economist Marilyn Moon, a former Medicare trustee, said the health care legislation's \$500 billion in cuts to hospitals, insurers and other Medicare providers should have been earmarked to deal with doctor fees first, with anything left over used to help the uninsured.

"They should have used Medicare dollars to fix this," said Moon, who helped oversee program finances from 1995-2000. Moon now directs the health care program at the American Institutes for Research.

The problem with doctor fees stems from requirements of a 1990s deficit reduction law. Well before Obama was elected president, Congress had settled into a pattern of routinely waiving the cuts. But that only compounded the long-range problem, increasing the size of future cuts required to meet savings targets.

The Obama administration supports repealing the cuts altogether, and the House passed legislation to do that. But a Senate version couldn't muster the 60 votes needed to move forward. "The key problem is that no one wants to pay for it," said John Rother, top strategist for AARP. "This is something that requires some additional revenue, and we should face up to that fact."

Meanwhile, the Obama administration is mailing out a brochure to explain the benefits of the new health care law to 46 million Medicare recipients. The law, says the brochure, "keeps Medicare strong and solvent." Republicans are calling it political spin.

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