



December 16, 2005

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Association of American Physicians & Surgeons  
The Voice for Private Physicians Since 1943  
CONTACT: Kathryn Serkes (202 333 3855)

TO: All Members of Congress ATTN: Health care staff  
FROM: Jane M. Orient, M.D., Executive Director  
RE: Medicare physician reimbursement rates & budget reconciliation

**KEEP YOUR MEDICARE MONEY!  
RESTORE PATIENT CHOICE AND PRESERVE FREEDOM TO PRACTICE!**

Some other medical groups have been telling you that proposed cuts in physician payments will harm seniors by creating a crisis in access to physicians.

***But we disagree. There's already a problem, and it has nothing to do with the new rates.***

The AMA says that its survey shows that 38% of its members will cut the number of new Medicare patients they accept if the first round of cuts goes into effect in 2006.

***But those numbers are extremely misleading because it's not all about the money.***

Our surveys show many physicians **ALREADY** refuse new Medicare patients. In fact, about 33%. But even more alarming is that **40% already restrict** the services they'll perform to current Medicare patients. (*Summary of survey attached.*)

But here's what you need to know: the reason they do so is NOT because of money. When asked, they say **it's the government "hassle factor."** The two leading reasons given were "billing and regulatory requirements, and hassles and/or threats from Medicare carriers/government." Payments rates were down the list.

***So it's really about FREEDOM, not the money.***

And what the AMA survey doesn't show is that those trends have been in play for about a decade. We've conducted our survey every two years since 1995 – not just to show a trumped-up "crisis" about current rate schedules. In fact, our survey shows that doctors **would rather treat uninsured patients for FREE** than to treat Medicare patients.

So it's clear that tweaking the reimbursement rates by a few percentage points by taking money away from hospitals or putting more financial pressure on an already collapsing system won't alleviate the other serious problems that are leading to physician discouragement with Medicare that are directly impacting patients access to care.

**FREEDOM FOR PATIENT AND DOCTORS WILL MAKE A DIFFERENCE.  
H.R. 580 Seniors' Health Care Freedom Act of 2005, and  
Say "NO" to Government Cookbook Medicine**

We oppose the various bills playing with the Sustainable Growth Rates (SGR), such as H.R. 3617, H.R. 2356, H.R. 1162 and S. 1574. Instead of changing the SGR, we support H.R. 580, the Seniors' Health Care Freedom Act of 2005, that would allow the use of private contracts under the Medicare program. This is a win for patients, doctors and taxpayers as well.

Our survey shows that 63% of doctors would be more willing to treat Medicare patients if unrestricted private contracts were allowed.

Also, we oppose any mandatory "Pay for Performance" provisions that would tie Medicare payment to physician compliance with government practice guidelines. This would be a radical break from Section 1801 of the Social Security Act that prohibits federal officials from interfering in the practice of medicine.

In conclusion, it's not always "about the money" for doctors, and it's too bad other groups are perpetuating that stereotyped image of "rich, greedy" doctors. What doctors really need is freedom to practice medicine in the best interests of their patients. That will truly serve our seniors and help preserve access to the best care.

Otherwise, the best and the brightest will continue to leave the program.

## ***Executive Summary:***

# **Disheartened Doctors, Patient Problems: AAPS Biannual Survey of Physicians on Medicare and Patients' Access to Care**

Journal of American Physicians & Surgeons

Winter 2004

[www.jpands.org](http://www.jpands.org)

More doctors will bail out of Medicare, while those who remain will continue to refuse new patients and restrict services, leading to severe rationing in the next ten years.

Those are the dire predictions of physicians revealed in a new survey titled "Demoralized Doctors, Disheartened Doctors, Patient Problems: AAPS Biannual Survey of Physicians on Medicare and Patients' Access to Care" published in the *Journal of American Physicians and Surgeons (JP&S)*, winter 2004. (See: [www.jpands.org](http://www.jpands.org))

While the future looks bleak, the present isn't much better, according to 344 physicians responding to the questionnaire, who are involved in patient care at least 20 hours and have an average of 23 years in practice.

"This study is concrete documentation of the atmosphere of fear and frustration in which doctors practice today," said Kathryn Serkes, co-author of the survey and policy and public affairs counsel for the Association of American Physicians and Surgeons (AAPS). "Money is not the issue – control is. More doctors would rather treat uninsured patients, possibly for free, than jump through Medicare hoops."

The results show that increased government involvement in Medicare is actually responsible for increasing physician demoralization and practice changes that are making it tougher for patients to find doctors who are willing to treat them. And the impact is being felt by all patients, not just seniors, and will get worse if an open-ended, costly drug benefit is added.

"Tacking on some cosmetic changes as Congress is now considering in the conference report will only make things worse," said Serkes. "It's like the sick patient who was in deep denial. He delayed treatment for so long that he became terminally ill, and then ran out to have expensive plastic surgery - that bankrupted him. But his friends say he was a good-looking corpse."

The survey supports 6 conclusions:

1. Increasing fear of prosecution or government retaliation has had a negative impact on Medicare patients' access to physicians, and their ability to receive referrals and certain services such as surgery.
2. Compliance with Medicare regulations is costly, takes significant time away from patient care, and is an increasing cause of reluctance to treat Medicare-eligible patients.
3. Unrestricted private contracting under Medicare would greatly increase willingness to treat Medicare-eligible patients.
4. Increased fear of retaliation and regulatory burden are causing physicians to make changes in practices that adversely affect patient access and quality.
5. The increasing role of government in medicine results in more difficulty for all patients to access care, not just those who are Medicare-eligible.
6. Physicians are becoming increasingly disheartened and negative about the future of the practice of medicine.

The survey examines five areas: Access by established Medicare patients, acceptance of new Medicare patients, costs and changes to practices, opting out and private contracts, and assessment of the future of the practice. Further, the survey looks at trends of the past three surveys.

Some of the findings:

- 33% do not accept new Medicare patients;
- 40% restrict services to all Medicare patients;
- (Reasons: "billing and regulatory requirements" ranked first, followed by "hassles and/or threats from Medicare carriers/government, "fees too low" & "fear of prosecution or civil actions")
- 41% have had difficulty finding a referral physician;
- 32% say level of service is less than 5 years ago;
- 22% is the amount of total staff & physician time spent on compliance with Medicare regulations;
- 65% would not take part in Medicare again;
- Medicare claims cost offices 50% more to process;
- 63% would be more willing to serve Medicare patients with unrestricted private contracting;
- 67% predict more doctors opting out of Medicare;
- 58% predict severely rationed care;
- 36% predict a complete collapse;
- 62% plan to retire at an earlier age than expected 5 years ago;
- (Reasons: "Increased government interference," followed by "increased regulatory burden." Money ranked number six.)

Physicians have made great changes to their practices to comply with Medicare regulations, most involving less time for patient care or additional cost, including spending more time on documentation, restricting services, hiring more compliance and billing staff, or just quitting Medicare.

Of particular note is that physicians prefer uninsured to Medicare patients, turning them away 50% less frequently than Medicare patients (17% and 33% respectively).

"This regulatory roulette is affecting every patient in the country. Doctors have less time to spend with patients, and are retiring earlier than ever," said Serkes. "Medicare expansion will only bring more of the same."

Serkes says one respondent's comment sums it up: "Unless things change soon, the best and the brightest will leave Medicare. It's simply not worth it."

*AAPS is a dues-supported, non-partisan, professional association of physicians in all specialties, dedicated since 1943 to protecting the sanctity of the patient-physician relationship.*

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