

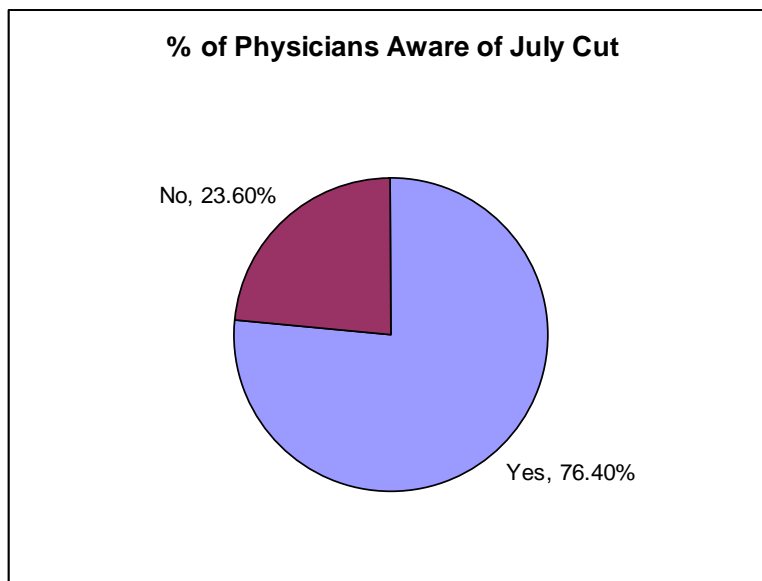


Impact of Medicare Cuts on Practicing Physicians

At the end of February 2008, ACP e-mailed a questionnaire to its membership that sought to determine the impact of pending Medicare cuts to physician payments. Below are the answers ACP received about how these cuts will affect respondents, their patients, and their practices.

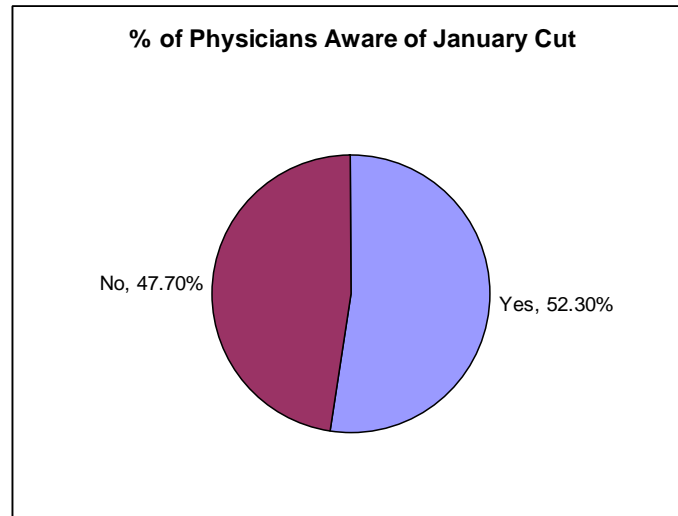
- 1. Were you aware prior to this e-mail that unless Congress passes legislation before June 30, 2008, your Medicare payments will be cut by 10.6% on July 1, 2008?**

Answer	Percent	# of Respondents
Yes	76.4%	1443
No	23.6%	447



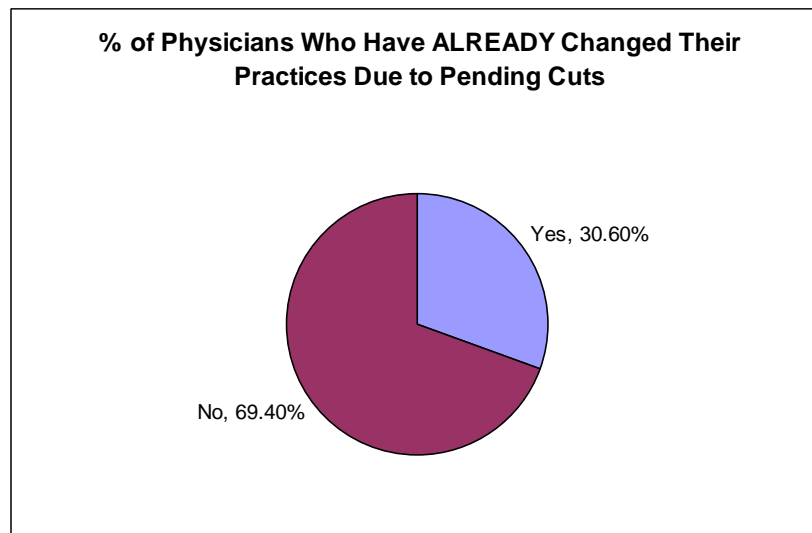
2. Were you aware prior to this e-mail that unless Congress passes legislation by December 31, 2008, Medicare payments will be cut by as much as an estimated 5% on January 1, 2009?

Answer	Percent	# of Respondents
Yes	52.3%	987
No	47.7%	901



3. Have you **ALREADY** taken any steps in your practice in anticipation of a pending 10.6% cut in Medicare payments on July 1 and another 5% cut on January 1?

Answer	Percent	# of Respondents
Yes	30.6%	572
No	69.4%	1300



4. If you have ALREADY taken steps in your practice, indicate which one, or more, of the following changes in your practice you have ALREADY made primarily as a result of the impending Medicare payment cuts.

- What patient-related changes in your practice have you already made?

Answer	Percent	# of Respondents
I do not accept any new Medicare patients.	29.2%	156
I only accept new Medicare patients who are referred to us by a family member who is already a patient in our practice, or from a physician colleague.	36.1%	193
I no longer see any Medicare patients nor accept Medicare as a payer.	3.4%	18
I charge my patients an administrative fee for services not covered by Medicare.	15.0%	80
I increased charges to my non-Medicare patients.	15.9%	85
I have changed my Medicare participation status from participating to non-participating, allowing me to "balance bill" my Medicare patients for up to 109% of Medicare's approved charges.	5.6%	30
I have not made any patient-related changes in my practice.	24.3%	130

- What practice operations-related changes have you already made?

Answer	Percent	# of Respondents
I laid off some of my office staff.	17.9%	96
My staff will not be getting a salary increase this year.	33.9%	182
My staff will get a smaller salary increase this year.	29.2%	157
I reduced benefits to my staff.	30.7%	165
I postponed making capital purchases.	55.1%	296
I postponed (or reconsidered) plans to purchase an electronic health record, electronic prescribing, and/or other health information system.	43.8%	235
I left traditional practice and have joined a "boutique" or "concierge" practice that accepts only those patients who can pay a required retainer fee.	3.7%	20
I have decided to leave ambulatory practice and join a hospital-only practice (hospitalist).	5.8%	31
I added new laboratory or ancillary services (such as osteoporosis screening) to generate more practice revenue.	16.8%	90
I will participate in the Medicare Physicians Quality Reporting Initiative, which will allow me to earn up to an additional 1.5% of my total Medicare payments for reporting on quality measures throughout the year.	15.8%	85

I participated in the Medicare Physicians Quality Reporting Initiative in 2007, but decided to discontinue participation in 2008.	7.1%	38
I have made no practice operations-related changes.	7.3%	39

- What retirement-related changes have you made?

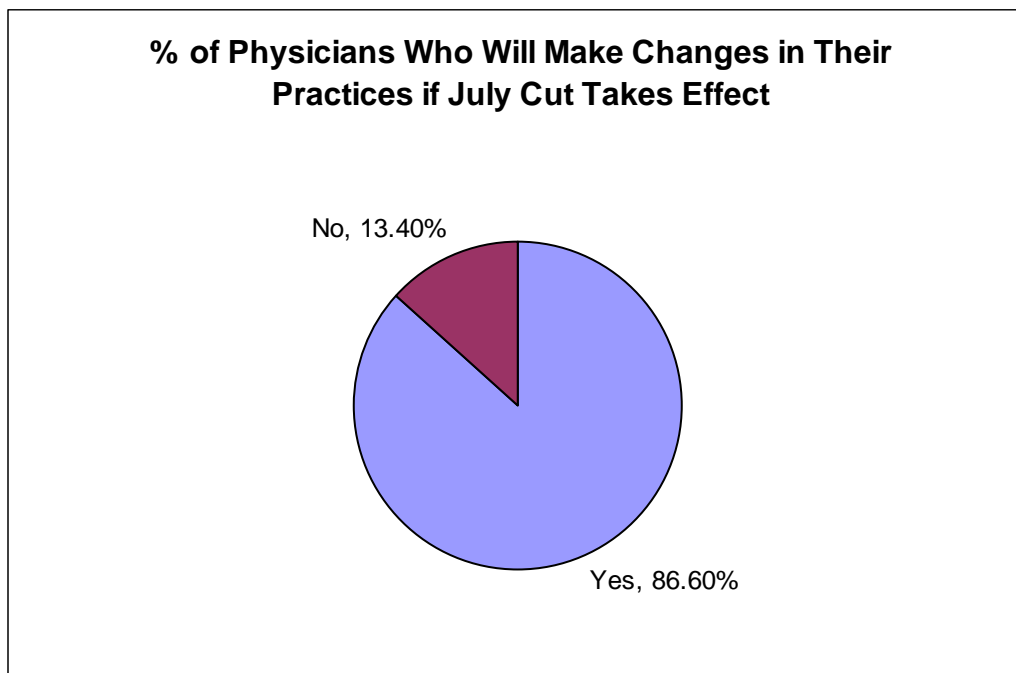
Answer	Percent	# of Respondents
I retired from the practice of medicine.	1.7%	9
I accelerated my plans to retire from practicing medicine.	48.4%	257
I have made no retirement-related changes.	49.9%	265

- Have you informed your patients about any of the above steps that you have taken?

Answer	Percent	# of Respondents
Yes	50.0%	272
No	50.0%	272

5. Do you think that you are likely to make any **FUTURE** changes to your practice **IF** the scheduled July 1, 10.6% cut in Medicare payments goes into effect?

Answer	Percent	# of Respondents
Yes	86.6%	1563
No	13.4%	241



6. If you think you are likely to make FUTURE changes to your practice, indicate which one, or more, of the following changes in your practice are you LIKELY to make as a result of the impending Medicare cuts.

- What patient-related changes in your practice do you think you are likely to make in your practice?

Answer	Percent	# of Respondents
I will discontinue seeing new Medicare patients.	35.7%	531
I will only see new Medicare patients who are referred by another family member who is already a patient in our practice, or from a physician colleague.	32.2%	480
I will discontinue seeing all of our current Medicare patients.	6.3%	94
I will charge my Medicare patients an administrative fee for services not covered by Medicare.	29.7%	443
I will increase charges to my non-Medicare patients.	16.7%	249
If given the opportunity to change my Medicare participation status, I will switch from participating to non-participating, allowing me to "balance bill" my Medicare patients for up to 109% of Medicare's approved charges.	32.5%	484
I will make no patient-related changes to my practice.	10.3%	153

- What practice operations-related changes do you think you are likely to make in your practice?

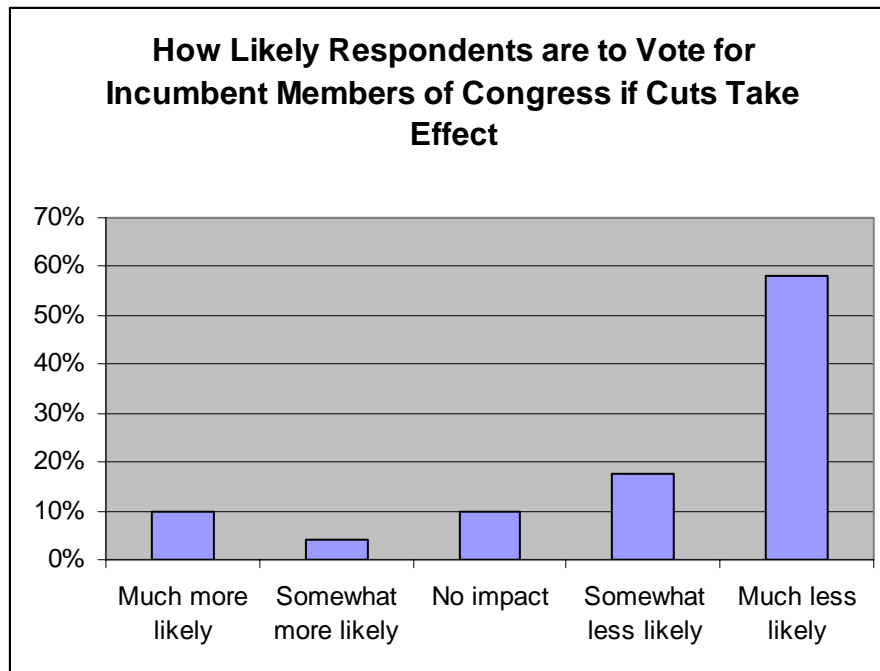
Answer	Percent	# of Respondents
I will lay off some of my office staff.	23.8%	351
My staff will not be getting a salary increase this year.	40.5%	598
My staff will get a smaller salary increase this year.	25.3%	374
I will reduce benefits to my staff.	33.7%	498
I will postpone making capital purchases.	57.9%	854
I will postpone or reconsider plans to purchase an electronic health record, electronic prescribing, and/or other health information system.	49.9%	736
I will leave traditional practice and join a "boutique" or "concierge" practice that accepts only those patients who can pay a required retainer fee.	13.2%	195
I will leave ambulatory practice and join a hospital-only practice (hospitalist).	9.7%	143
I will add new laboratory or ancillary services to generate more practice revenue.	13.5%	199
I will make no practice operations-related changes.	7.0%	104

- What retirement-related changes do you think you are likely to make?

Answer	Percent	# of Respondents
I will accelerate my plans to retire from practicing medicine.	61.8%	920
I will make no retirement-related changes.	38.2%	569

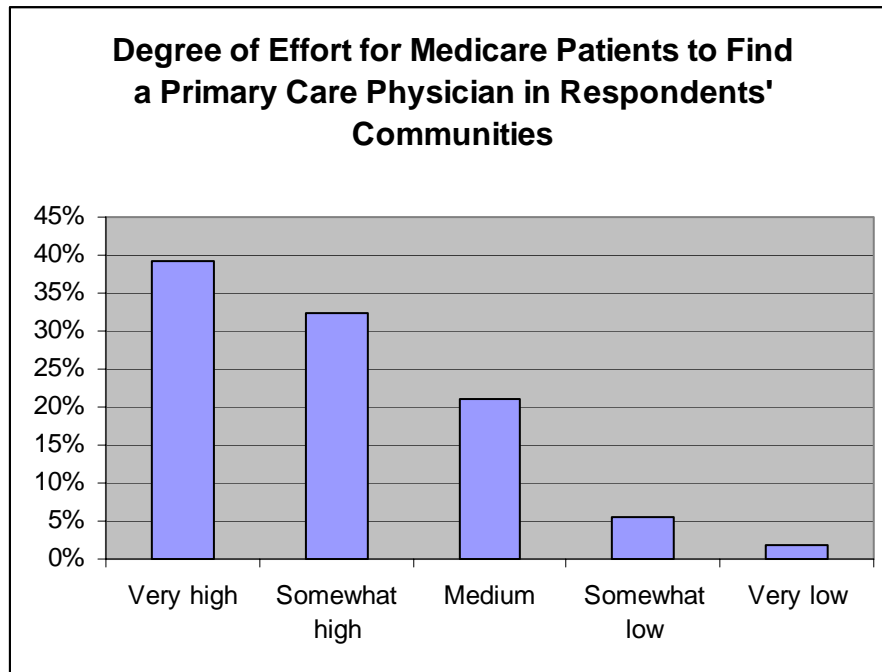
- 7. If Congress does NOT enact legislation to prevent the 10.6% Medicare payment cut on July 1, and the payment cut therefore goes into effect, are you more or less likely to vote for your incumbent members of Congress in the November election, or will this have no impact on how you vote?**

Answer	Percent	# of Respondents
Much more likely	10.0%	175
Somewhat more likely	4.0%	70
No impact	10.0%	176
Somewhat less likely	17.7%	310
Much less likely	58.3%	1025



8. How much effort is involved for Medicare patients to find a primary care physician in your community?

Answer	Percent	# of Respondents
Very high	39.2%	687
Somewhat high	32.5%	569
Medium	21.1%	369
Somewhat low	5.4%	94
Very low	1.9%	34





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Additional Questions to Academic Physicians

In addition to the above questions asked of practicing physicians, ACP asked questions of medical students and the physicians who teach them. Below are the answers ACP received about how Medicare cuts may affect the careers of future physicians.

Questions to Medical Students

1. How important are Medicare physician payments in medical students' selection of a specialty?

Answer	Percent	# of Respondents
Extremely important	27.3%	9
Very important	36.4%	12
Moderately important	30.3%	10
Somewhat important	6.1%	2
Not at all important	0%	0

2. Due to unstable and unpredictable Medicare payments to physicians are you likely to take any one or more of the following steps in regards to your career?

Answer	Percent	# of Respondents
I'm more likely to choose a specialty other than internal medicine.	25.0%	8
If I choose internal medicine, I'm more likely to choose a subspecialty versus general internal medicine.	65.6%	21
If I choose general internal medicine, I'm more likely to choose to work in hospital-based medicine.	34.4%	11
It will not affect my career decisions.	12.5%	4
I'm undecided/unsure about my career.	9.4%	3

Questions to Professors of Medicine, Residency Program Directors, Deans or Other Teaching Physicians

3. In your opinion, will positive and predictable increases in Medicare payments increase the number of students who choose a career in primary care?

Answer	Percent	# of Respondents
Yes, it will increase the number choosing primary care.	88.3%	173
No, It will have little or no impact.	11.7%	23