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AAFP, ACP, and AOA Meet With Congress on Medicare Reimbursements to Physicians

WASHINGTON -- Today, the presidents and physician leaders of the American Academy of Family Physicians (AAFP), the American College of Physicians (ACP), and the American Osteopathic Association (AOA) were in Washington to express "in their own words" the negative impact a 5.1 percent reduction in Medicare physician payments would have upon Medicare beneficiaries and their access to health care.

The physician fee schedule specifies payment rates to physicians for services and procedures. Under current law, the fee schedule is updated on an annual basis according to a systemically flawed formula that links the update to the growth in the U.S. economy. Based upon this formula, payment rates for physicians will be reduced 5.1 percent in 2007 without Congressional intervention. According to the 2005 Medicare Trustees Report, physicians will see their reimbursements cut at a rate of 4.5 percent to 5.5 percent per year through 2013 while practice costs increase at a rate of 2.7 percent per year.

Since 2001, the aggregate payment rate has decreased 20 percent below the government's conservative measure of inflation for medical practice costs. These cuts run the risk of destabilizing the Medicare program and may risk Medicare beneficiary access to physicians.

"Our organizations, representing nearly 275,000 primary care physicians nationwide, are in Washington to express our ongoing concerns about the impact of this cut on Medicare beneficiaries' access to physician services," stated ACP immediate-past President C. Anderson Hedberg, M.D., FACP.

John Strosnider, D.O., president of the AOA added, "reform of the Medicare physician payment formula, specifically the flawed sustainable growth rate, is a top priority for each of our organizations. For too many years, physicians have been subjected to an unpredictable and inequitable payment formula that fails to account for increases in the costs of providing care. We are not only putting at risk our nation's most vulnerable population, but also the future of the health care provider system. Continued decreases in payments to primary care physicians only serve to decrease the number of medical students choosing to specialize in primary care. Those who still make that choice are looking less and less to serve rural underserved populations."

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“Several times during the past few years Congress has acknowledged that decreased Medicare payments to family practice physicians will likely mean decreased health care for those who need it the most—the elderly,” said Larry S. Fields, president of the AAFP. “We are here to share the fact that some family physicians are facing actual bankruptcy and many may be forced to close their doors to new Medicare patients and some will leave practice entirely if payments are cut by 5.1 percent. We are extremely hopeful that Congress will once again recognize how important it is to fix the flawed Medicare payment formula and assure health care to our seniors.”

"Medicare beneficiaries rely upon their primary care physicians not only for quality health care, but also for access to other parts of the Medicare program," concluded Dr. Hedberg. "We look forward to working with Congress to maintain access to physician services for the millions of beneficiaries participating in the Medicare program.”

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The AAFP represents more than 94,000 physicians and medical students nationwide who are dedicated to treating the whole person across the full spectrum of ages. Family medicine’s cornerstone is an ongoing, personal patient-physician relationship focused on integrated care. Please visit www.aafp.org.

The American College of Physicians is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 120,000 internal medicine physicians (internists), related subspecialists, and medical students. Internists specialize in the prevention, detection and treatment of illnesses in adults. For more information on ACP policies, visit www.acponline.org/advocacy.

The American Osteopathic Association proudly represents its professional family of more than 59,000 osteopathic physicians (D.O.s), promotes public health, encourages scientific research, serves as the primary certifying body for D.O.s, and is the accrediting agency for all osteopathic medical colleges and health care facilities. More information on D.O.s/osteopathic medicine can be found in the [About Osteopathic Medicine](http://www.osteopathic.org) section of www.osteopathic.org.