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MEDICARE CUTS TO PHYSICIANS WILL HARM MINNESOTA SENIORS
AMA Makes 'House Call' to Minnesota, Discusses New National Physician Survey

ST. PAUL, MN -- The American Medical Association (AMA) National House Call campaign made its first visit to Minnesota today to draw attention to an imminent access to care problem for Minnesota's nearly 654,000 Medicare patients. Medicare plans to slash physician payments 10 percent on January 1, 2008, and physicians are deeply concerned about the cut's impact on seniors' access to needed health care.

"Almost two-thirds of a million seniors in Minnesota depend on Medicare for their health care coverage, and they will be negatively affected by Medicare cuts to physicians," said Rebecca J. Patchin, MD, a member of the AMA Board of Trustees. "According to the AMA's new physician survey, 60 percent of physicians say they will be forced to limit new Medicare patients when the government cuts payment rates 10 percent next year."

Congressional action is the only way to stop the Medicare cuts and preserve seniors' access to physician care. The AMA and the Minnesota Medical Association (MMA) are urging patients to contact Minnesota's congressional delegation to stop the Medicare physician payment cuts and provide physicians with a payment update in line with increases in the costs of caring for patients.

"Physicians want to care for seniors, but drastic Medicare cuts will force physicians to make difficult practice changes," said Dr. Patchin. "Minnesota physicians will lose \$74 million for the care of elderly and disabled patients next year due to the 10 percent cut in Medicare payments."

"Next year's cut is just the tip of the iceberg," said Dr. Patchin. "The government plans to cut Medicare payments to physicians about 40 percent over the next nine years, while practice costs increase 20 percent. Seventy-seven percent of physicians say they will be forced to limit the number of new Medicare patients they can treat if the nine years of cuts occur."

"Seniors in Minnesota cannot afford to lose their doctors," said G. Richard Geier, Jr., M.D., President of the Minnesota Medical Association. "About 37 percent of Minnesota's practicing physicians are over 50 – an age at which surveys have shown many physicians consider reducing their patient care activities. Cuts in Medicare payments that make it difficult for physicians to meet their practice costs could be the deciding factor for many to cut back or retire. And we face an additional 0.5 percent cut because a temporary increase in geographic payment adjustments for Minnesota and certain other states will expire in January."

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2 – AMA Urges Congress to Halt Looming Medicare Cuts

Congress can stop the Medicare cut to doctors and preserve seniors' access to care by eliminating overpayments to private health insurers providing Medicare Advantage plans. This government subsidy to the insurance industry amounts to, on average, 12 percent more spent per person enrolled in Medicare Advantage than on patients in traditional Medicare. The result is that instead of making Medicare more sustainable as the baby-boom generation reaches the age of Medicare eligibility, the subsidies are having the opposite effect.

“In Minnesota, only 29 percent of seniors are enrolled in Medicare Advantage, yet all seniors are paying the price with higher Medicare premiums to support this government subsidy of the insurance industry,” said Dr. Patchin. “Congress must eliminate the Medicare Advantage subsidy and stop Medicare cuts to physicians that harm seniors' access to health care.”

“We thank the Minnesota Congressional delegation for their past support to stop Medicare physician payment cuts,” said Dr. Patchin. “Now, we urge them to stop the pending 2008 cut and instead adopt a positive update to preserve access to care for seniors and military families.”

“Congressional action is needed now to preserve seniors' access to care and put Medicare on a firm foundation for the future. The government must keep its promise to America's seniors,” said Dr. Patchin.

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