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Doctors wait for permanent fix for Medicare funding

Like private-practice physicians across the country, Dr. Richard Henry, co-owner of Asthma and Allergy of Idaho, is feeling relieved that Congress passed a law delaying a 25 percent cut in physician Medicare payments that was set for January.

The relief, however, is short-lived. Just like Congress, Henry has seen this movie before. "We received an extension from the cuts a year ago, and year before that," Henry said. "What Congress hasn't done is fixed the real problem. They just continue passing delays."

Dr. Richard Henry, of Asthma & Allergy of Idaho, poses for a photo at his Twin Falls office



The "real problem" he's talking about is that each year Medicare reimbursement rates - how much doctors are paid for providing care to Medicare patients - are subject to adjustment, as calculated by the "sustainable growth rate" formula adopted as law in 1997.

The formula has called for cuts since 2002. Since then, Congress has simply delayed the cuts, said Ellen Griffith, spokeswoman for the Office of External Affairs and Beneficiary Services with the Centers for Medicare and Medicaid Services.

If Congress doesn't change the rates, physician's pay cuts will be even larger in 2012. "Only Congress can prevent these cuts from taking effect and Congress has done so for every year," Griffith said.

Doctors have faced Medicare cuts five times this year alone, and five times lawmakers have voted to delay the cut to a later date. For doctors like Henry, the uncertainty makes it hard to do business. Unlike some of his peers who are refusing to see Medicare patients, Henry continues to do so.

"I lose money each time I see a Medicare patient but I can't refuse them care; it weighs on my conscience. We're talking about our elderly here," Henry said.

According to the American Medical Association, Medicare reimbursements have stagnated over the last decade while the cost of running a practice has increased by more than 20 percent. If the program doesn't change, Medicare patients could have a hard time finding care.

"We're at a breaking point," Henry said. "In Elko (Nev.), where we have a practice, we're one of the few that see Medicare patients. More and more doctors simply can't afford to."

Susie Pouliot, CEO of the Idaho Medical Association, said the organization is lobbying for a long-term fix.

Doctors 1

"It's completely out of control. At first, it was a half-percent cut here, a 2-or-3 percent cut there, but now it's snowballed into this huge reduction," Pouliot said. "It's been a roller coaster ride for physicians and patients."

She said viable reimbursement formulas are in place for other Medicare users such as hospitals and long-term care facilities, and said a similar plan should be adopted for physicians.

"The only way to a permanent solution is to get rid of the flawed formula," Pouliot said. "Physicians need a sustainable solution so they can focus on their patients."