Doctors dropping Medicare patients

Payment cuts reason for decision

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WASHINGTON — Want an appointment with kidney specialist Adam Weinstein of Easton, Md.? If you're a senior covered by Medicare, the wait is eight weeks.

How about a checkup from geriatric specialist Michael Trahos? Expect to see him every six months: The Alexandria, Va.-based doctor has been limiting most of his Medicare patients to twice yearly rather than the quarterly checkups he considers ideal for the elderly.

Still, at least he'll see you. Top-ranked primary care doctor Linda Yau is one of three physicians with a District of Columbia internists group who recently announced they will no longer be accepting Medicare patients.

"It's not easy. But you realize you either do this or you don't stay in business," she said.

Doctors across the country describe similar decisions, complaining that they've been forced to shift away from Medicare toward higher-paying, privately insured or self-paying patients in response to years of penny-pinching by Congress.

And that's not even taking into account a long-postponed rate-setting method that is on track to slash Medicare's payment rates to doctors by 23 percent Dec. 1. Known as the Sustainable Growth Rate (SGR) and adopted by Congress in 1997, it was intended to keep Medicare spending on doctors in line with the economy's overall growth rate. But after the SGR formula led to a 4.8 percent cut in doctors' pay rates in 2002, Congress has chosen to put off the increasingly steep cuts called for by the formula ever since.

This month, the Senate passed its fourth stopgap fix this year — a one-month postponement that expires Jan. 1. The House is likely to follow suit when it reconvenes this week, and physicians have been running print ads, passing out fliers to patients and flooding Capitol Hill with phone calls to persuade Congress to suspend the 25 percent rate cut that the SGR method will require next year.

Such reprieves have increased the potential pain down the road, compounding not only the eventual cut but the cost of doing away with it for good, now estimated in the tens of billions.

The lobbying blitz by doctors also comes amid concern in Washington that Medicare spending is increasing so fast the nation can't afford to boost it further by significantly raising doctors' pay.

And government analysts and independent experts suggest that although doctors could not absorb a 25 percent fee cut, the claim that they have been inadequately compensated by Medicare until now is wildly exaggerated.

Among the top points of contention is the complaint by doctors that Medicare's payment rate has not kept pace with the growing cost of running a medical practice. As measured by the government's Medicare Economic Index, those expenses rose 18 percent from 2000 to 2008. During the same period, Medicare's physician fees rose 5 percent.

"Physicians are having to make really gut-wrenching decisions about whether they can afford to see as many Medicare patients," said Cecil Wilson, president of the American Medical Association.

But statistics also suggest many doctors have more than made up for the erosion in the value of their Medicare fees by dramatically increasing the volume of services they provide — performing not just a greater number of tests and procedures, but also more complex versions that allow them to charge Medicare more money.

From 2000 to 2008, the volume of services per Medicare patient rose 42 percent. Some of this was because of the increasing availability of sophisticated treatments that undoubtedly save lives.

Some was because of doctors practicing "defensive medicine" — ordering every conceivable test to shield themselves from malpractice lawsuits down the line.

"Then, you have doctors who order an MRI for an unremarkable headache or at the first sign of back pain," said Robert Berenson, a Commissioner of the Medicare Payment Advisory Commission, an independent congressional agency. "It's pretty well documented that it doesn't help patients to have those scans done in these cases. But if you have the machine in your office ... why not?"

Specialists reap benefit

Whatever the cause, the explosion in the volume of services provided helps explain why Medicare's total payments to doctors per patient rose 51 percent from 2000 to 2008.

A review of physicians' incomes suggests that specialists — who have more opportunities to increase the volume of the services they offer than primary care doctors — reaped most of the benefit.

On average, primary care doctors make about $190,000 a year, kidney specialists $300,000, and radiologists close to $500,000, figures that reflect the income doctors receive from both Medicare and non-Medicare patients. The disparity has prompted concern that Medicare is contributing to a growing shortage of primary doctors.

Still, even if primary care doctors had to rely exclusively on Medicare's lower payment rates their incomes would only drop about 9 percent, according to a recent study co-authored by Berenson, who is also a fellow at the nonpartisan Urban Institute.

"The argument that doctors literally can't afford to feed their kids — if they take Medicare's rates — is absurd," said Berenson. "It's just that doctors have gotten used to a certain income and lifestyle."

Spacing out visits

Regardless of their motivation, if doctors skew their patient base away from Medicare too drastically, seniors' access to medical care could be limited.

Is that happening? Again, opinions vary. Based on its studies as well as those done by others others, the Medicare Payment Advisory Commission has concluded the share of affected seniors has been small, and perhaps most significantly, lower than the share of privately insured patients ages 50 to 64 who also report access problems.

But the American Medical Association cites a recent online survey that it commissioned in which nearly one-third of primary care doctors said they are currently restricting the number of Medicare patients in their practice.

For Trahos, the geriatric specialist, that has meant spacing out routine visits by his Medicare patients such that their share of his weekly appointments has dropped from about half to less than one-third. Trahos said that if a Medicare patient has a serious condition, he will see the person more frequently. But Trahos said it makes him uneasy to push even apparently healthy elderly patients back to twice-yearly visits.

"Is it the proper thing to do? Probably not," he said. "These are patients who should be scheduled for proper maintenance every three months."

Weinstein, the kidney specialist, has taken to supplementing his three-doctor practice by doing medical IT consulting several hours a week. But although the pay is far greater than what he would receive seeing Medicare patients, who make up 70 percent of his practice, the side work means he has less time to serve them. Not only must Weinstein make them wait longer for an appointment, he said, he can no longer afford to answer their phone calls.

"It has definitely made my patients feel more distant from me, and I don't know how to deal with that," Weinstein said.

Extreme response

Financial concerns also prompted Weinstein's group to turn down a request from Chester River Hospital Center in Chestertown, Md., an hour's drive north, to do daily consultations with their mainly elderly patients.

That was disheartening news for the doctor who is currently consulting at Chester River. At 69, David Knutson is semi-retired and said he is satisfied with the payments he has been getting from Medicare. But Knutson grew animated as he spoke of all the ways he would use his time if he could find another doctor to take over coming into the hospital six days a week.

"Gardening, sailing, fishing, hunting, going to the opera," he said. "I'm almost 70. If I'm ever going to do all these things that

I've been talking about I better start."

Yau has opted for the most extreme response: pulling out of Medicare. The group prides itself on keeping the number of scheduled visits low so that patients who need a last-minute appointment can be accommodated the same day.

They also offer half-hour office visits, instead of the 15 minutes on which Medicare reimbursements are predicated. It makes for a white-glove experience for patients, but high overhead for doctors.

After 11 years of serving a patient base of whom as many as half were covered by Medicare, Yau concluded the numbers were no longer adding up. As of April, seniors with Medicare must pay their entire bill out of pocket or through supplemental insurance. Only 100 of her approximately 1,750 Medicare patients have elected to stay on.

Could doctors see more Medicare patients if they accepted lower incomes?

Perhaps, said Yau, 42.

But "the whole system would need to change. . . . I graduated medical school $100,000 in debt. I worked 110 hours a week during my residency for $30,000 a year and sacrificed all through my 20s. And even now, you're still seeing people all day, with meetings and paperwork at night, on top of the emotional side of worrying when the patients you care for aren't doing well. This is life-and-death stuff. And I feel like that should be compensated."

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