Survey on Medicare Participation Among Surgeons

Report on the Future of Medicare Physician Payment
and the
Effect on Surgeons and Their Patients

Prepared by the

Surgical Coalition

March 2010

Medicare Payments Cuts Will Affect Patients' Access to Surgical Care

Background

Medicare payments to physicians will be cut by nearly 22 percent unless Congress intervenes to block it. These cuts are being produced by Medicare's sustainable growth rate (SGR) formula. In the past, Congress has repeatedly prevented similar cuts from going into effect; however these stop-gap measures have exacerbated the problem by increasing the severity of future cuts and making the cost of permanent Medicare payment reform more expensive. Surgeons and anesthesiologists are deeply concerned about the current Medicare physician payment system and how to fix it. There is widespread agreement that the SGR is fatally flawed and fails to accurately reflect the costs of sustaining medical practices. If the road is not altered, Medicare beneficiaries will be significantly affected as access to care will continue to be curtailed.

To better ascertain the scope of the problem for patients seeking surgical care, the Surgical Coalition -- which includes the American College of Surgeons and 22 other medical organizations representing 240,000 surgeons and anesthesiologists -- recently conducted a nationwide survey. Data collected from this survey confirm that surgeons will make significant practice changes and timely access to surgical care will be jeopardized if Medicare payments continue to decline.

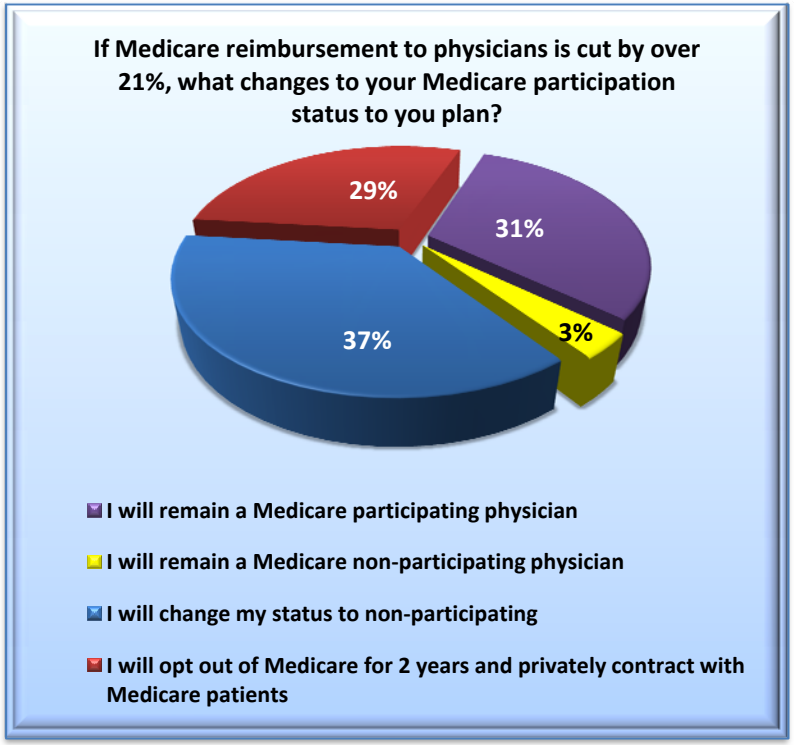
Specifically, this survey examined:

- Current Medicare participation status
- Future Medicare participation status if a 21% payment cut goes into effect
- Changes Medicare participating physicians plan on making in their practices if a 21% payment cut goes into effect

Participation in Medicare Will Decline

The survey reveals that while 96 percent of respondents currently participate in Medicare, many will have no choice but to limit their Medicare practice if payment cuts continue. The picture is indeed grim as less than one-third of respondents stated that they will remain a Medicare participating physicians. Specifically:

- 37% will change their status to nonparticipating
- 31% plan on remaining a Medicare participating physician
- 29% will opt out of Medicare for two years and privately contract with Medicare patients



Surgeons Will Make Practice Changes

Among those surgeons and anesthesiologists remaining as Medicare participating physicians, three-fourths nevertheless plan on making some change in their practice in the next 12 months if Medicare payment rates are cut by nearly 22 percent. Alarmingly, they would stop providing certain services, reduce staff, defer purchase of new medical equipment, and/or reduce time spent with Medicare patients.

Consequences of Further Reductions in Medicare Payments	
Limit the number of Medicare patient appointments	**68.8%**
Reduce time spent with Medicare patients	**46.8%**
Begin referring complex cases	**45.8%**
Stop providing certain services	**45.3%**
Defer purchase of new medical equipment	**43.8%**
Reduce staff	**42.7%**
Defer purchase of information technology	**31.8%**
Significantly reduce workload/hours	**16.6%**
Shift services from office to hospital	**16.2%**
Discontinue rural outreach services	**9.0%**
Close satellite offices	**7.9%**
Discontinue nursing home visits	**6.1%**
Relocate	**4.1%**
Retire	**4.1%**
Close/sell practice	**3.8%**
Stop providing any patient care	**1.3%**

In Surgeons' Own Words

"I will elect not to perform complex surgery/high-risk surgery unless it is emergent and I will decrease elective cases."

General Surgeon

"I am in an academic facility. This could have a devastating impact on the institution as a whole. The system is already financially strapped. We are working at close to the breaking point in terms of providers and resources."

Urologist

"I work in rural area and this will force me to close; the recession has already put me on the edge with a 10% drop in revenue. Then there will be no one serving this community's poor."

Orthopaedic Surgeon

"I will no longer be able to afford to do charity cases and will quit doing them. I am the only cataract surgeon in the area who does these cases."

Cataract Surgeon

"This will result in staff getting let go without much delay, and the remaining will work harder."

Ophthalmologist

"This cut will result in longer waits as we cut back clinics due to lack of staff, longer time to next available appointments and many patients being turned away at the door. In addition this will negatively affect the pipeline for people going in to surgery."

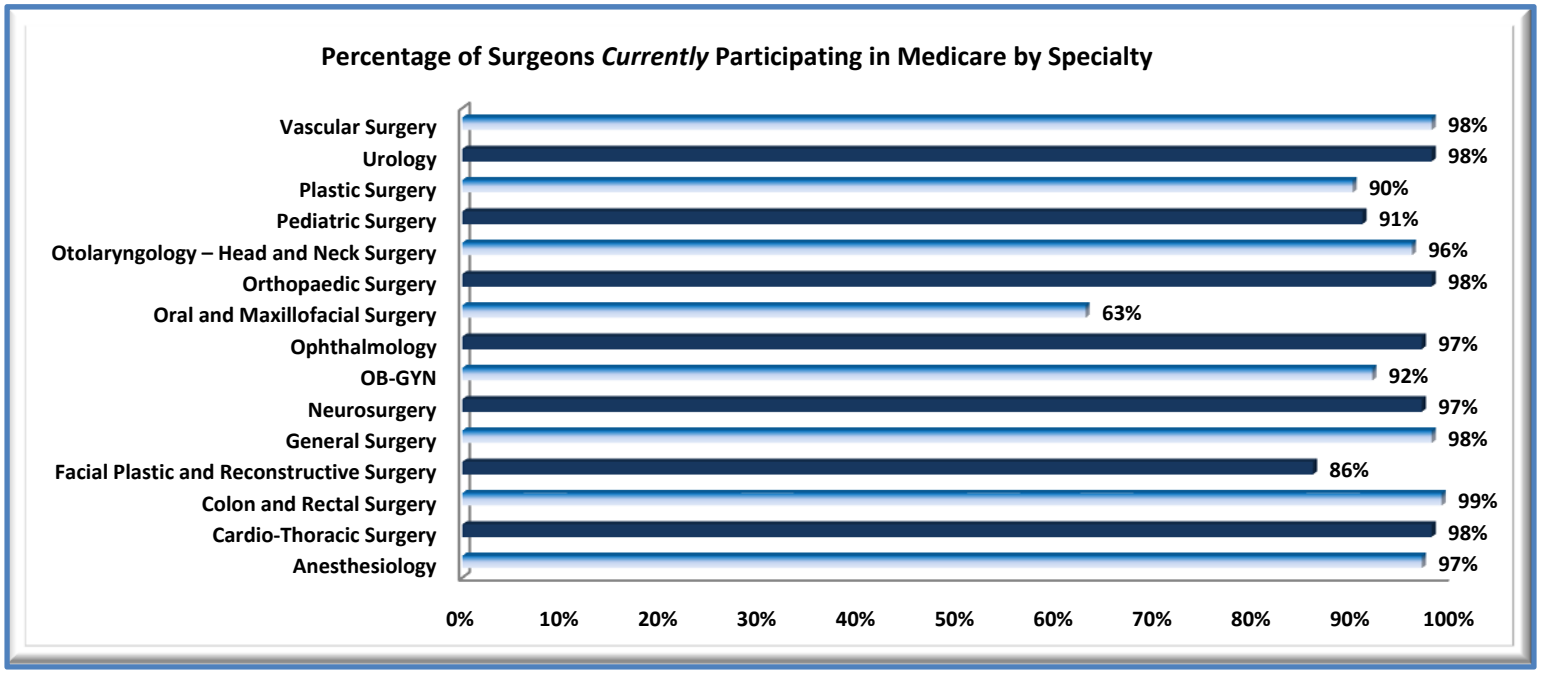
General Surgeon

"Medicare patients will essentially be standby only if I have no other patients to see."

Orthopaedic Surgeon

Not all Surgeons are Alike

The survey reveals that not all surgeons' Medicare participation rates are alike, and Medicare patients may find it more difficult to see certain surgical specialties than others.



These differences remain should the 22 percent Medicare payment cut go into effect.

Specialty	Remain Par	Change to Non-Par	Opt Out
Anesthesiology	35%	55%	10%
Cardio-Thoracic Surgery	49%	24%	25%
Colon and Rectal Surgery	44%	25%	30%
Facial Plastic and Reconstructive Surgery	28%	38%	27%
General Surgery	42%	32%	24%
Neurosurgery	34%	40%	25%
OB-GYN	28%	42%	24%
Ophthalmology	28%	38%	32%

Specialty	Remain Par	Change to Non-Par	Opt Out
Oral and Maxillofacial Surgery	25%	38%	38%
Orthopaedic Surgery	27%	36%	35%
Otolaryngology – Head and Neck Surgery	26%	38%	33%
Pediatric Surgery	60%	16%	16%
Plastic Surgery	24%	40%	29%
Urology	25%	39%	34%
Vascular Surgery	42%	29%	28%

Survey Methodology

In February/March 2010 the Surgical Coalition conducted a survey of surgeons and anesthesiologists to determine their responses to the projected 21.2 percent Medicare payment cut. The survey was conducted online. A total of 13,834 physicians participated in the survey.

Respondents were from the following specialties: Anesthesiology, Cardio-Thoracic Surgery, Colon and Rectal Surgery, Facial Plastic and Reconstructive Surgery, General Surgery, Neurosurgery, OB-GYN, Ophthalmology, Oral and Maxillofacial Surgery, Orthopaedic Surgery, Otolaryngology – Head and Neck Surgery, Pediatric Surgery, Plastic Surgery, Urology, and Vascular Surgery.

For more information about the findings contained in this report, please contact:

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Members of the Surgical Coalition are:

American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Ophthalmology
American Academy of Otolaryngology-Head and Neck Surgery
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Congress of Obstetricians and Gynecologists
American College of Osteopathic Surgeons
American College of Surgeons
American Osteopathic Academy of Orthopedics
American Pediatric Surgical Association
American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Cataract and Refractive Surgery
American Society of Colon and Rectal Surgeons
American Society for Metabolic & Bariatric Surgery
American Society of Plastic Surgeons
American Urological Association
Congress of Neurological Surgeons
Society for Vascular Surgery
Society of American Gastrointestinal and Endoscopic Surgeons
Society of Gynecologic Oncologists
Society of Surgical Oncology
The Society of Thoracic Surgeons