

Rep. Sam Farr plans summit to resolve Medicare rate disparity in Santa Cruz County

WASHINGTON -- Rep. Sam Farr has arranged an April 16 summit in House Speaker Nancy Pelosi's office for key congressional aides and health care officials to resolve a longstanding disparity in Medicare reimbursement rates paid to doctors in Santa Cruz County.

The Carmel Democrat, who has worked for a decade to bring rates in Santa Cruz and Monterey counties in line with what doctors earn over the hill, said he hopes the meeting will break down political barriers that have killed past attempts at changing formulas drafted in the 1960s.

He said the answer could be delivered in targeted Medicare legislation or President Obama's overall health care reform package. Though he is optimistic a solution is finally within reach, he said, "The hardest thing to do in a legislative body is to fix something that is complicated, and this is complicated."

In interviews Monday on Capitol Hill, Farr and Rep. Anna Eshoo, D-Palo Alto, said formulas used by the Centers for Medicare and Medicaid Services to determine rates have long needed an overhaul, but that politics always interfere. Last year, the Senate killed a measure approved by the House, and an earlier fix was blocked by a handful of county medical associations.

However, Farr said that during a recent flight home to California he bent Pelosi's ear about taking another shot. He said the speaker picked up the phone and instructed her health care staff to get working on it.

"In the scope of national things, it's a small problem," Farr said. "But it's big for Santa Cruz County."

Next month's summit will include staff from both houses of Congress, Medicare and Dr. Larry deGhetaldi, head of the Santa Cruz Medical Foundation, a branch of the Palo Alto Medical Foundation. DeGhetaldi has long been on the forefront of trying to increase rates for area physicians.

"We have a motivated House and a president not threatening to veto a Medicare bill," said deGhetaldi, a trustee of the California Medical Association. "I am pretty damn optimistic."

Last month, the Sentinel published [a series of articles](#) highlighting the need for more primary care physicians willing to take Medicare patients in Santa Cruz County. Health care professionals and government officials pointed to the county's low reimbursement rate as a primary reason physicians often decline to take new Medicare patients or take their practice over the hill, where payments are about 16 percent higher.

Struggling to find a doctor has led some seniors to seek care at Planned Parenthood and safety net clinics, the series reported. Seniors who move to the county to retire or live with relatives also occasionally end up in local emergency rooms seeking treatment for ailments that hospital physicians say could have been addressed by a primary care doctor.

Two years ago, Santa Cruz County joined several other counties in a lawsuit against Medicare, demanding reimbursement rates be adjusted. The lawsuit is pending.

Medicare spokeswoman Ellen Griffith said the federal agency would soon propose annual changes to rules governing fees paid to doctors. But she said she could not say whether there will be an adjustment recommended for Santa Cruz and other low-rated counties.

The president's recently released budget bill increases Medicare payments to keep rates for doctors from being slashed across the country. But any adjustment that takes into account regional needs would have to be cost neutral unless more money is identified.

"If we increase payments in one part of the state, we have to decrease payments across the board to make up for the increase," Griffith said.

Farr and Eshoo worked with the California Medical Association to get doctors in higher-rated counties in California to take less reimbursement from Medicare, but the plan fizzled after three counties failed to back it.

"I took the highly unpopular position of taking dollars from one part of my constituency and giving it to another, and believe me, I caught major hell from doctors in San Mateo County and the medical foundation there," Eshoo said. "But I thought it was the right thing to do."

Even though there are pockets in states nationwide where doctors receive low Medicare reimbursements compared to the cost of living, getting congressional officials from across the country to make reform a priority has been a challenge. Still, Farr said he believes the Medicare agency has the authority to adjust rates on its own.

"They have refused to do that and they keep punting it over here and saying 'You need to do this,'" he said.

Eshoo said she doubts the agency will correct the problem on its own.

"My sense is that they will not propose anything that adds money," she said. "They will be pursuing things to save money."