

Survey gives you a chance to fix Medicare inequity

Medicare was created in 1965 by Congress to be a voluntary program: voluntary for patients, and voluntary for doctors. However, there is now an ever-widening gap between patient participation and doctor participation.

Ever since the mandate that doctors accept Medicare's fee as payment in full in 1986, physicians nationwide have been steadily

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leaving the program. This has accelerated in the last eight years as Medicare payments to doctors have decreased by 20 percent relative to inflation.

But in Santa Cruz we have an additional problem. A geographic formula was created to equalize Medicare rates county by county based on the cost of living. Although Congress has mandated the Medicare administration (called CMS) to update their data every three years, CMS has not done so since 1996. As a result of the current formula, combined with the lack of updating, Medicare payments to Santa Cruz physicians are in the lowest tier (called Locality 99) in the state.

To illustrate the paradox, the median home price earlier this year rounded to \$200,000 in Lassen County, \$700,000 in Santa Cruz County, and \$800,000 in Santa Clara County. Yet physician Medicare payments for Lassen and Santa Cruz were identical, while they were 25 percent higher in Santa Clara.

Medicare reimbursement rates take on added significance to physicians since most private insurance companies tie their reimbursements directly to Medicare rates. And because physicians must pay their overhead out of these payments, the 25 percent difference in Medicare payments can mean a more than 50 percent difference in take-home pay for physicians.

All of this is not lost on doctors who are evaluating Santa Cruz as a place to open a practice. They compare the cost of living, compare the Medicare reimbursement

rates, and rightly conclude that they are better off practicing over the hill. Santa Cruz has had a difficult time recruiting and retaining doctors in large part due to this very issue.

Seven other counties in California, and 100 nationwide, suffer from the same physician underpayment that has led doctors to disproportionately stop taking Medicare. Santa Cruz County has joined with some of these counties to sue the federal government over the pay inequity. Under pressure from the lawsuit, as well as from our elected representatives, CMS has commissioned several studies to study how to revamp the geographic payment formula. The latest of these, called the Acumen Study, is available online at www.cms.hhs.gov/center/physician.asp.

CMS is inviting public comment about the study via e-mail with a deadline of Monday. The study proposes four options to fix discrepancies. The study is long and detailed, and the California Medical Association and the Santa Cruz County Medical Society favor option 3. But all options will help doctors in Santa Cruz, so any support is likely to help local doctors and hence Santa Cruz Medicare recipients.

Santa Cruz doctors are aware of the plight of patients with Medicare looking for a doctor in our county. We are very much hopeful that correcting the Medicare pay discrepancy will help solve the problem. Please take the time to e-mail CMS. You can e-mail your choice of "Acumen Study Option 3," or any of the other options, to MPFS@cms.hhs.gov. If you would like a sample letter, you can go to the County Medical Society's Web site at cruzmed.org and click on "Comments about Locality 99."

Senior citizens who have paid into Medicare all their lives have every right to be angry at the lack of access in Santa Cruz County. Now they have a unique opportunity to help be part of the solution.

Christopher O'Grady is the president of the Santa Cruz County Medical Society.