

Private contracting and opting out

Twenty-three percent report opting out of Medicare under the provisions of the Balanced Budget Act of 1997, and 63% would be more willing to serve Medicare patients if unrestricted private contracting were allowed. The most frequent responses to “I would opt out if...” were: “if I could afford it” or “if I owned and controlled my own practice.”²

Implications for the future:

A majority of respondents (65%) said that if they were starting their practice today, they would not take part in Medicare, and their predictions about Medicare reflect that. When asked their “expectations for Medicare-age patients 10 years from now,” 67% predict more doctors and patients opting out of the system; 58%, severely rationed care; 36%, complete collapse of the system; and 13%, active euthanasia. Only 9% predict that seniors will receive the same treatment as they do today.

A majority (62%) plan to retire from active patient care at a younger age than expected five years ago. The leading cause was “increased government interference in medicine,” followed by “increased regulatory burden” (54%), “decreased control over factors affected medicine” (49%), “increased fear of litigation/prosecution” (48%), “increased hassles with Medicare” (47%), “HIPAA compliance, including electronic claims filing” (40%). Finances ranked number six, at 39%, followed by increased work load (37%). Non-government interference ranked the lowest, with 36% citing hassles with HMOs, and 28% hassles with private patients. (Physicians were asked to “check all that apply,” and most checked several factors.)

Trends over past three surveys

Physicians are accepting new Medicare patients at a 16% lower rate since 1999, down from 73% in that year compared to 62% this year. Of particular note is that physicians prefer uninsured patients, turning them away 50% less frequently than Medicare patients (17% and 33% respectively).

Patients are having more difficulty getting appointments. In 2001, 17% reported giving lower priority for new patients was 17%, compared to 23% this year. Those reporting the same priority have dropped from 62% in 1999, a decrease of 16%.

Restrictions and referral are following the same trend. Restrictions have increased by 15%, from 34% in 1999 to 40%, and problems with referrals have soared – 52% reported no problems in 1999, compared to less than one-fourth this year (21%).

The “hassle factor” for physicians is increasing, with almost a 50% increase in the proportion of physicians ranking it as the primary reason for not accepting Medicare patients (29% in 2003 compared to 19.5% in 1999 for “hassles and/or threats” and a jump from 17% to 30% for “billing and regulatory requirements”).

Time spent on Medicare compliance has held steady at 22%, but the cost of processing a claim has increased by 65%, from \$13.31 in 2001 to \$22.00.

In 2001, 38% of respondents said they were not considering earlier retirement, but in 2003 that number fell to 29%, a decrease of almost one-fourth. Questions on starting practice today and expectations for 10 years from now were new questions, so no comparisons are available.

Conclusions

The survey results suggest the following six conclusions:

1. Increasing fear of prosecution or government retaliation has had a negative impact on Medicare patients’ access to physicians, and their ability to receive referrals and certain services such as surgery.

2. Compliance with Medicare regulations is costly, takes significant time away from patient care, and is an increasing cause of reluctance to treat Medicare-eligible patients.

3. Unrestricted private contracting under Medicare would greatly increase willingness to treat Medicare-eligible patients.

4. Increased fear of retaliation and regulatory burden are causing physicians to make changes in practices that adversely affect patient access and quality.

5. The increasing role of government in medicine results in more difficulty for all patients to access care, not just those who are Medicare-eligible.

6. Physicians are becoming increasingly disheartened and negative about the future of the practice of medicine.

The narrative comments of respondents³ particularly reflect the final conclusion. Out of 106 optional open-ended comments, the most frequently expressed thoughts are: “I would not become a physician if had it to do over”; “I will quit practicing altogether as soon as possible”, or “I feel coerced into taking Medicare.” As one sums up: “Unless things change soon, the best and the brightest will leave Medicare.... It’s simply not worth it.”

Kathryn Serkes, who coauthored the survey, is Public Relations Counsel for AAPS. E-mail: kathryn@aapsonline.org

Acknowledgements: Jane M. Orient, M.D., coauthored the survey, and Jeremy Snavely compiled the results.

REFERENCES

- ¹ AAPS Biannual Medicare Survey 2003. Available at: www.aapsonline.org/surveys/survey03.doc. Accessed October 30, 2003.
- ² Biannual Medicare Survey Results 2003. Available at: www.aapsonline.org/surveys/results03.doc. Accessed October 30, 2003.
- ³ Comments by respondents to AAPS Biannual Medicare Survey 2003. Available at: www.aapsonline.org/surveys/comments03.doc. Accessed October 30, 2003.