

The **AMERICAN RETIREMENT ADVISOR**  
*A guidepost to your successful retirement.*



*News Media Special Report*  
**Doctors Steer  
Clear of Medicare**

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Researched Provided By David P. Schaeffer, CSA

**The Wall Street Journal says**

“More Doctors Steer Clear of Medicare”

*The American Retirement Advisor says Hmmm!*

*Is there a little bias to this story? You be the judge.*

## More Doctors Steer Clear of Medicare

BY MELINDA BECK

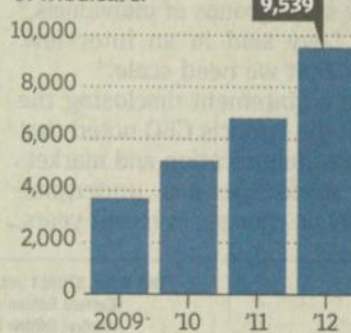
Fewer American doctors are treating patients enrolled in the Medicare health program for seniors, reflecting frustration with its payment rates and pushback against mounting rules, according to health experts.

The number of doctors who opted out of Medicare last year, while a small proportion of the nation's health professionals, nearly tripled from three years earlier, according to the Centers for Medicare and Medicaid Services, the government agency that administers the program. Other doctors are limiting the number of Medicare patients they treat even if they don't formally opt out of the system.

Even fewer doctors say they won't accept new Medicaid patients, and the number who don't participate in private insurance contracts, while smaller, is grow-

### The Doctor Is Out

A small but growing number of U.S. physicians are opting out of Medicare.



Source: Centers for Medicare and Medicaid Services  
The Wall Street Journal

ing—just as millions of Americans are poised to gain access to such coverage under the new health law next year. All told, health experts say the number of doctors going “off-grid” isn't

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# More Doctors Steer Clear of Medicare

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enough to undermine the Affordable Care Act, but they say some Americans may have difficulty finding doctors who will take their new benefits or face long waits for appointments with those who do.

CMS said 9,539 physicians who had accepted Medicare opted out of the program in 2012, up from 3,700 in 2009. That compares with 685,000 doctors who were enrolled as participating physicians in Medicare last year, according to CMS, which has never released annual opt-out figures before.

Meanwhile, the proportion of family doctors who accepted new Medicare patients last year, 81%, was down from 83% in 2010, according to a survey by the American Academy of Family Physicians of 800 members. The same study found that 4% of family physicians are now in cash-only or concierge practices, where patients pay a monthly or yearly fee for special access to doctors, up from 3% in 2010.

A study in the journal *Health Affairs* this month found that 33% of primary-care physicians didn't accept new Medicaid patients in 2010-2011.

The pullback in Medicare acceptance is being felt in certain quarters. Joe Baker, president of the Medicare Rights Center, said his patient-advocacy group has had an increase in calls from seniors who can't find doctors willing to treat them—mainly from affluent areas where many patients can pay out of pocket if their doctor doesn't accept Medicare. "In most places, doctors can't pick and choose because Medicare is the biggest game in town, or the only game in town," he said.

Some experts attribute the rise in defections to Medicare payment rates that haven't kept pace with inflation and the threat of more cuts to come. Under a budgetary formula enacted by Congress in 1997, physicians could see Medicare reimbursements slashed by 25% in 2014 unless Congress intervenes to delay the cuts, which it has done several times.

"Medicare has really been pushing its luck with physicians," said economist Paul Ginsburg,

## Thinning Ranks

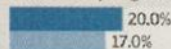
More doctors are either limiting their participation in or formally opting out of Medicare.

Percent of family physicians who:

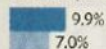
### Participate in Medicare



### Aren't accepting new Medicare patients



### Are 'nonparticipating' in Medicare



### Have opted out of Medicare



Source: American Academy of Family Physicians

The Wall Street Journal



Juliette Madrigal-Dersch, shown treating a patient in Marble Falls, Texas, is president of a group that advocates private-pay medicine.

president of the nonpartisan Center for Studying Health System Change.

Some doctors say Medicare's reimbursement rates—as low as \$58 for a 15-minute office visit—force them to see 30 or more patients a day to make ends meet. "Family physicians have been fed up for a long time and it's getting worse," said Jeffrey Cain, president of the American Academy of Family Physicians.

Other doctors are dropping out to avoid deeper government involvement in medicine. For example, Medicare is now paying incentives to doctors who switch to electronic medical records and who send data on quality mea-

sures to the federal government. Doctors who are part of Medicare who don't do so will face penalties starting in 2015.

While the leaders of some large doctor groups have endorsed such initiatives, Dr. Ginsburg says, "there are a lot of physicians, particularly older physicians, who say, 'I don't want to do this. Let me run out the rest of my career practicing like I've always done.'"

Some doctors are particularly concerned about patient privacy. Earlier this year, gynecologist Mary Jane Minkin, a professor at the Yale School of Medicine, opted out of Medicare and the Yale Medical Group when she saw that the electronic records system displayed patients' gynecological records to other providers they consulted. "There's no reason the dermatologist has to know about my patients' libido issues," Dr. Minkin said.

All but 10 of the 70 Medicare patients in her practice have continued to see her, Dr. Minkin said, even though they must pay out of pocket to do so.

Doctors have three options for dealing with Medicare. Those who participate bill Medicare directly and must agree to accept its reimbursement rates for all covered services. So-called non-participating doctors still file Medicare reimbursement claims but can charge as much as 10% over Medicare's rates for some services, and they must bill patients for the difference. Those who opt out can charge patients whatever they want, but they must forgo filing Medicare claims for two years, and their Medicare-eligible patients must pay out of pocket to see them.

That prospect rankles many elderly people—in part because they must continue paying their Medicare premiums or risk losing their Social Security benefits.

Doctors who don't take Medicare say they don't necessarily raise rates significantly. Some say not having to submit claims and file mandated reports allows them to keep their overhead low. "We give discounts to teachers and preachers, and anybody who comes in wearing spurs gets \$5 off," said Juliette Madrigal-Dersch, a pediatrician and internist in Marble Falls, Texas. She says she also treats patients who develop cancer free of charge. "I couldn't do that if I took Medicare. It's considered an illegal enticement." Dr. Madrigal-Dersch is president of the Association of American Physicians and Surgeons, a conservative group that advocates private-pay medicine.

Physicians say dropping out isn't easy, and some medical specialties are more dependent on Medicare than others.

Smiley Thakur, a kidney specialist in Seattle, stopped taking Medicare, Medicaid and commercial insurance in 2008 and had to resume two years later, mainly because he stopped getting referrals from other doctors.

## **What does this really mean to you, the person receiving Medicare Benefits?**

### **If you have Medicare and a Medicare Supplement, not much.**

You can see any Doctor that either “Participates in Medicare” or “Does Not Participate in Medicare”. You will need to pay cash for the Physicians that have Opted out, which is what you would have to do even if you had traditional group or individual health insurance.

**If you have selected a Medicare Advantage Plan**, this has little effect on your Doctors because you no longer use Medicare. You have transferred your benefits to the Medicare Advantage Plan and you will be required to use their network. By replacing your Medicare with the Medicare Advantage Plan, the question changes from “do you participate in Medicare” to “which Medicare Advantage Networks are you accepting?”

From the Wall Street Journal chart, nationwide of all of the 685,000 Doctors currently practicing in the United States, they state 2.9% have opted out. If math serves me correctly 2.9% of 685,000 is .098% not 2.9% as the Journal states.

Sooo...

It's really 0.98% (685,000 / 9,539). **That is less than 1% of physicians have opted out.**

Just 9,539 physicians nationwide for a two year period of time, have opted out of Medicare.

That's all.

So what's all the fuss?

You tell me!

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