Physician Offices May Close

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This year, physician groups again say that they will urge Congress to stop the fee cut and repair the SGR.

"We've been strung along by Congress for years now on getting rid of the SGR—it's always next year, next year, next year, and next year never seems to show up," said Dr. Larry S. Fields, president of the American Academy of Family Physicians. Although legislators are unlikely to offer a permanent solution this year, the AAFP will advocate for one, he added.

"I think Congress agrees that it's not a fair system," Patrick Hope, legislative counsel for the American College of Physicians, said in an interview. ACP is not optimistic that the SGR will be addressed in 2006, an election year, Mr. Hope said.

Physician organizations said they will try to stop the cuts. Some also will continue to push for a system that would reward physicians with higher fees in exchange for more quality reporting, and tying physician fees to the Medicare Economic Index.

The bill introduced last year by Rep. Nancy Johnson (R-Conn.) is a good starting point for negotiations, Mr. Hope said.

The American Medical Association supported Rep. Johnson's bill, and also will urge Congress to stop the cuts, an AMA spokeswoman said. In a statement, Dr. Duane Cady, AMA chair, said that the

Two Options to Volunteer in Case Of Emergency

PHILADELPHIA — Two government-affiliated programs provide a way for physicians and other health care professionals to serve as volunteers in the event of a national, regional, or local emergency, Dr. Anand K. Parekh said at the annual meeting of the American College of Physicians.

The Medical Reserve Corps (www.medicalreservecorps.gov), formed in 2002 under the auspices of the U.S. Surgeon General's office, is a nationwide network of community-based groups of credentialed and trained volunteers. About 73,000 MRC volunteers serve in 404 units in 49 states.

The Emergency System for Advance Registration of Volunteer Health Professionals (www.hrsa.gov/esarvhp) registers health professional volunteers in advance of an emergency, with 13 state systems fully operational thus far. Although federally funded by the U.S. Health Resources and Services Administration, it is state-run and state-operated. Those interested in volunteering should contact their state public health departments, said Dr. Parekh, a medical officer in the U.S. Department of Health and Human Services' Office of Public Health Emergency Preparedness.

The MRC is an option for those who want to become actively involved in volunteer services by receiving training in advance. The ESAR-VHP, on the other hand, functions more as a reserve unit.

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—Miriam E. Tucker

2007 reduction "is just the tip of the iceberg." Over 9 years, the pay cuts will total 34%, while practice costs will increase 22%, Dr. Cady said. An AMA survey found that over those years, 73% of physicians will defer buying new equipment and 65% will put off purchases of new information technology—at a time when practitioners are being asked to convert to electronic health records and collect more data on quality and health outcomes.

"You can't expect doctors to move to-

ward electronic health records facing that kind of hit," Mr. Hope agreed.

Dr. Fields said that physicians may stop taking new Medicare patients, or, even worse, may have to close their practices. "When the overhead is greater than the payment, there won't be any access," he said, adding that closures will impact private-pay patients also.

Even CMS agreed that the practice environment is getting harder. "Physicians may find it difficult to invest in activities like electronic record systems and support programs for high-risk patients that could enhance quality of care, without increasing medical costs," Herb B. Kuhn, director

of CMS's Center for Medicare Management, wrote to the Medicare Payment Advisory Commission.

The fastest-growing components of physician services included imaging (16% growth), laboratory and other tests (11% growth), and procedures (9% growth), according to the letter. Procedures accounted for 26% of Medicare spending, compared with 14% for imaging and 12% for laboratory and other tests.

An increase in evaluation and management services accounted for the largest portion of the 8.5% overall growth in physician services, but the growth rate—7%—was less than for the other services.

