

# Media Release

## **FOR IMMEDIATE RELEASE**

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### **Looming Cuts Create Perfect Health Care Storm**

*Physicians fear diminished access to needed health care*

BATON ROUGE, LA. – With the revelation that Governor Jindal’s proposed state budget for 2010-2011 will have \$355 million less in funding for the Medicaid program than last year’s budget, a health care crisis is gathering for a third of Louisiana’s population. The convergence of cuts to health care on both the state and federal level has physicians anxious about their economic future and their ability to provide patients’ access to essential health care services. The potential 18 percent state health care budget cuts to individual health care providers and hospitals in combination with an impending 21.5 percent cut to Medicare physician reimbursement to take effect March 1, 2010, will force Louisiana physicians to make tough choices. Physicians will have to decide whether they can continue to treat Medicare and Medicaid patients. Most Louisiana physicians are small businesses and cannot sustain almost a 40 percent cut in revenue.

With nearly 30 percent of Louisiana’s population dependent on state programs for health care, many physicians depend on these program reimbursements to keep their doors open. In March 2009, a Louisiana State Medical Society (LSMS) survey revealed that two-thirds of members responding would be unable to accept new Medicaid patients or stop treating Medicaid patients altogether as a result of the cuts announced by the Louisiana Department of Health and Hospitals of approximately 10 percent in physician reimbursement rates in fiscal year 2009-10. When you combine the physician cuts for fiscal years 2009-10 and 2010-11, physicians accepting Medicaid patients will face a potential 18 percent reduction in their fees.

“Access to care continues to be a growing issue in Louisiana,” explained Dr. Patrick C. Breaux, LSMS President. “A combination of impending state and federal cuts will surely exacerbate this long-standing problem. Medicaid patients will have increased difficulty in finding or keeping a physician, and they will become even more dependent on the already overburdened safety net system. More patients will begin to seek care in hospital emergency rooms, driving up costs while hospitals are receiving less Medicaid reimbursement due to continuing budget cuts.”

In the 2009 LSMS survey, 87 percent of respondents found it “difficult” or “almost impossible” to refer patients to physicians for certain specialty care services; and over 64 percent of survey respondents indicated it is difficult to recruit new physicians. The primary reason noted was low reimbursement rates in Louisiana, even before the FY 2009-10 Medicaid cuts and the announcement of the midyear revenue short fall for this fiscal year which resulted in even more cuts in reimbursement.

Dr. Breaux pointed out the state’s ratio of physicians per 1,000 of population is below the national average, and with Louisiana’s Medicaid enrollment near 30 percent of the population, more payment cuts will discourage physicians from relocating to Louisiana. Moreover, 42 percent of Louisiana’s practicing physicians are more than 50 years old, an age at which studies and surveys have shown many physicians are now considering reducing their patient care activities.

“Physicians and patients need to contact our legislators and congressmen today,” said Dr. Breaux. “The only way to stave off this devastating blow to health care in our state is for legislative action at both the state and federal level. We cannot continue to reduce reimbursement to providers and hospitals, while expecting them to care for more and more patients. From a fiscal standpoint it simply can not be done.”

#### *About LSMS*

The LSMS is a voluntary association of physicians providing leadership for the advancement of the health of the people of Louisiana and serving as the premier advocate for patients and physicians. For more information about LSMS, please contact Sadie D. Wilks at [sadie@lsms.org](mailto:sadie@lsms.org) or by phone at (225) 763-2309.

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