

Impacts of Medicare physician payment cuts in Louisiana

- Louisiana physicians will lose \$180 million for the care of elderly and disabled patients over the 18 months from July 2008 through December 2009 due to a 10.6 percent cut in Medicare payments in July 2008 and an additional 5 percent cut in 2009. On average, each Louisiana physician faces a Medicare cut of \$17,000 over this 18-month period. In addition, the state's physicians will lose \$3.5 billion for the care of elderly and disabled patients by 2016 due to nearly a decade of cuts for this important medical care.
- 39,296 employees, 581,345 Medicare patients and 125,230 TRICARE patients in Louisiana will be affected by these cuts.
- Compared to the rest of the country, Louisiana, at 14 percent, has an above-average proportion of Medicare patients and, at 18 practicing physicians per 1,000 beneficiaries, has a below-average ratio of physicians to Medicare beneficiaries, even before the cuts take effect.
- 43 percent of Louisiana's practicing physicians are over 50, an age at which surveys have shown many physicians consider reducing their patient care activities.
- In July 2008, physicians in the New Orleans area face cuts of an additional 0.7 percent on top of the 10.6 percent cuts across the country and physicians in the rest of Louisiana face additional cuts of 1.7 percent. The 2003 Medicare law provided a temporary increase in geographic payment adjustments for certain areas. This increase also will expire on June 30, 2008 under current law.

