



Contact Information:

Jessica Mikulski  
Phone: 1-703-535-3762  
Email: [newsroom@entnet.org](mailto:newsroom@entnet.org)

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## **The American Academy of Otolaryngology – Head and Neck Surgery Joins Other Surgical Groups in Survey of Members on Medicare Participation**

*Results Show Large Payment Cuts Will Undermine Surgical Practices and Hinder Patient Access to Care*

**Alexandria, VA** –The American Academy of Otolaryngology – Head and Neck Surgery (AAO-HNS) has joined with 22 other medical groups to release results of a new physician survey. The survey shows that the 21.3 percent pay cut to physicians that is scheduled to take effect April 1 will make it difficult, if not impossible, for already financially strapped surgical practices to continue to treat Medicare patients. A majority of the more than 14,000 surgeons and anesthesiologists who responded to the survey indicated that they will be forced to make significant changes in their practices if the cut goes into effect and that timely access to surgical care will be jeopardized if Medicare payments continue to decline.

The survey (which can be found online at <http://operationpatientaccess.facs.org/?32810mdsrv>) reveals that while 96 percent of respondents currently participate in Medicare, less than one-third of them will be able to remain as Medicare participating physicians. In addition, respondents indicated that practical realities will force them to stop providing certain services, reduce staff, defer the purchase of new medical equipment, and/or reduce time spent with Medicare patients. Thirty-seven percent said they will change their status to nonparticipating, and another 29 percent said they will opt out of the Medicare program for two years and contract privately with Medicare patients.

"Addressing the flawed Medicare physician payment system remains the "missing link" of healthcare reform," said AAO-HNS President, Ronald B. Kuppermith, MD. "Without permanently repealing the flawed SGR formula, our nation's seniors are at risk of losing their access to crucial specialty care."

When asked, "If Medicare reimbursement to physicians is cut by over 21%, what changes to your Medicare participation status do you plan to make?" Respondents answered:

- 37 percent will change their status to nonparticipating
- 31 percent plan on remaining a Medicare participating physician
- 29 percent will opt out of Medicare for two years and privately contract with Medicare patients
- 3 percent will remain a Medicare nonparticipating physician

Among those remaining as Medicare participating physicians, three-fourths plan on making some change in their practice in the next 12 months. Respondents stated they would:

- Limit the number of Medicare patient appointments (69%)
- Reduce time spent with Medicare patients (47%)
- Begin referring complex cases (46%)
- Stop providing certain services (45%)
- Defer purchase of new medical equipment (44%)
- Reduce staff (43%)

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- Defer purchase of information technology (32%)
- Significantly reduce workload/hours (17%)
- Shift services from office to hospital (16%)
- Discontinue rural outreach services (9%)
- Close satellite offices (8%)
- Discontinue nursing home visits (6%)
- Retire (4%)

The payment cuts are the result of a flawed methodology called the sustainable growth rate (SGR) formula that is used to calculate payments for physicians who participate in the Medicare program. The formula contains administrative errors and fails to accurately reflect the costs of sustaining medical practices.

Physician participation is the foundation of a sustainable and functional Medicare program -- now and into the future. Therefore, the AAO-HNS, and the other participating medical groups, believe it is crucial that Congress pass legislation to permanently repeal the SGR to prevent the further declines in Medicare payments and to replace the flawed formula with a system that is reasonable and that will lead to a more workable reimbursement system.

The survey was conducted during February 2010 by 23 medical organizations, which represent 240,000 surgeons and anesthesiologists in the U.S. The nearly 14,000 surgeons and anesthesiologists who responded represented the following specialty areas: Anesthesiology, Cardio-Thoracic Surgery, Colon and Rectal Surgery, Facial Plastic and Reconstructive Surgery, General Surgery, Neurosurgery, OB-GYN, Ophthalmology, Oral and Maxillofacial Surgery, Orthopaedic Surgery, Otolaryngology – Head and Neck Surgery, Pediatric Surgery, Plastic Surgery, Urology, and Vascular Surgery.

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### **About the AAO-HNS**

The American Academy of Otolaryngology – Head and Neck Surgery ([www.entnet.org](http://www.entnet.org)), one of the oldest medical associations in the nation, represents nearly 12,000 physicians and allied health professionals who specialize in the diagnosis and treatment of disorders of the ears, nose, throat, and related structures of the head and neck. The Academy serves its members by facilitating the advancement of the science and art of medicine related to otolaryngology and by representing the specialty in governmental and socioeconomic issues. The organization's vision: "Empowering otolaryngologist-head and neck surgeons to deliver the best patient care."