

OUR VIEWS

AMA's Medicare idea worth implementing

Congress should end subsidies to private insurers and pay doctors fairly.

For all the deserved focus on the need to end wasteful spending, Congress also faces the difficult challenge of sorting through many worthy and competing funding needs. There's no shortage of well-meaning interest groups seeking federal dollars for a good cause.

The American Medical Association is one such group. It is rightly alarmed that physicians in Maine and across the country may see drastic cuts in payments for services to Medicare patients next year. In Maine, they could range from 11.1 percent to 12.1 percent.

What separates the AMA's call for restoration of these funds from other funding requests is that the AMA supports a reasonable reform that would pay for the changes the organization seeks.

As it stands now, payments for doctors under the health care program for the elderly are subject to annual downward adjustment. The formula is nominally meant take into account greater efficiencies in the medical profession. In reality, it allows congressional budget makers to make their numbers look better over time by cutting payments to physicians by an unrealistic amount.

Usually, Congress will step in and fund a change that will keep doctors whole under Medicare, but every year there's some scrambling to find the money. This year, it will cost \$12 billion to keep things status quo with physicians.

It should be noted that Medicare reimbursements are not overly generous to start, often much lower than the payments allowed under private insurance. For many doctors, a further cut would mean rethinking the number of Medicare patients they serve.

At a Maine press conference on Tuesday, AMA officials suggested it might be hard for elderly patients here to find a primary care physician if the reimbursements are cut. While this might seem to be a scare tactic, the fact that Medicare already pays less than other insurance plans for doctor's services lends weight to the worry.

To pay for keeping the doctor fees whole next year and for another four years beyond, the AMA is advocating an end to subsidies for private HMOs administering Medicare services. This makes sense.

Right now, private companies that act as managed care organizations for Medicare patients get 12 percent more in reimbursements than Medicaid pays directly to providers when acting as its own insurer. That's just wrong.

While privatizing Medicare administration might make sense, paying a subsidy just to have a private company run the program is wasteful. Congress should stop subsidizing Medicare HMOs and use the money instead to pay physicians fairly.