

# *U.S. Senate Committee on Finance*

## MEMORANDUM

To: Reporters and Editors  
Re: GAO report on Medicare beneficiaries' access to physician care  
Da: Wednesday, Feb. 9, 2005

Today the Government Accountability Office (GAO) released a study requested by Sen. Chuck Grassley, chairman of the Finance Committee, and Sen. Max Baucus, ranking member, on Medicare beneficiaries' access to physician care. The senators requested the study in response to concerns that access to physician services would be compromised as a result of the negative 5.4 percent update for Medicare physician payments in 2002.

Results from the study, which measured beneficiary access from April of 2000 to April of 2002, show an increase in access in virtually all parts of the country – both urban and rural areas. Specifically, the percentage of beneficiaries who received physician services during the month of April rose from 42 percent in 2000 to 46 percent in 2002, despite the 5.4 percent cut. Moreover, the average number of office visits rose for Medicare fee-for-service beneficiaries.

The study also found that Medicare-participating physicians did not attempt to compensate for the 2002 negative payment update by refusing to accept assignment for Medicare services. When a physician agrees to accept assignment on all Medicare claims in a given year, the physician is referred to as a participating physician, and accepts Medicare's fee as payment in full.

In its comments to GAO on the report, the Centers for Medicare & Medicaid Services (CMS) stated that the measures studied by the GAO are very useful in assessing overall access by Medicare beneficiaries to medical services.

Grassley made the following comment on the report:

“It was interesting that beneficiary access – in both rural and urban areas – actually increased from 2000 to 2002 despite the reduction in Medicare payments to physicians. I'm relieved to know that access to physicians improved even with the negative 5.4 percent payment update in 2002. The GAO information will be especially useful to Congress this year as it reviews ways to promote efficiency and quality, while considering the potential impact of upcoming reductions in physician payments in 2006.

“Maintaining continuous oversight of the Medicare program to ensure beneficiary access to quality medical care and services has always been a top priority for me. Without proper access to physician services both in urban and rural areas, beneficiaries couldn't access the many benefits Medicare currently covers, including the new ‘Welcome to Medicare’ physical and the new preventive screenings for diabetes and cardiovascular disease, and Medicare's new drug benefit,

which will begin next year. This benefit isn't of much value if you can't get in to see the doctor. For this reason, I'm committed to working to preserve beneficiary access to physician services while also examining new ways to reward physicians who provide higher quality care."

Baucus said:

"Ensuring seniors' access to affordable, quality health care is a top priority of mine, and I appreciate the GAO's work in monitoring the availability of physician services. The GAO says that, in the aggregate, seniors' access to physician care is strong. But in areas where patients and providers are few and far between, it doesn't take much to throw aggregates and averages off. I look forward to working with the GAO, CMS and my colleagues in Congress to ensuring continued access to these important services."

The report, "Medicare Fee-for-Service Beneficiary Access to Physician Services: Trends in Utilization of Services, 2000 to 2002" (GAO-05-145R) will be available at [www.gao.gov](http://www.gao.gov).