



Highlights of [GAO-06-704](#), a report to congressional committees

# MEDICARE PHYSICIAN SERVICES

## Use of Services Increasing Nationwide and Relatively Few Beneficiaries Report Major Access Problems

### Why GAO Did This Study

Congress, policy analysts, and groups representing physicians have periodically raised concerns that Medicare’s efforts to control spending on physician services by limiting annual updates to physician fees could have an adverse impact on beneficiaries’ access to physician services. These concerns were heightened in 2002 when Medicare’s formula for setting physician fees required a 5.4 percent reduction in fees to help moderate rapid spending increases. From 2003 to 2006, fees have not grown as rapidly as the estimated cost to physicians of providing services, and concerns about access have remained.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 requires GAO to study access to physician services by beneficiaries in the traditional fee-for-service (FFS) program. This report focuses on (1) trends and patterns in beneficiaries’ perceptions of the availability of physician services from 2000 through 2004, (2) trends in beneficiaries’ utilization of physician services from 2000 through 2005, and (3) indicators of physician supply and willingness to serve Medicare beneficiaries from 2000 through 2005. GAO analyzed the most recent data available, including several years of data from an annual survey of FFS Medicare beneficiaries as well as utilization trends based on all Medicare physician claims for services provided in April of each year from 2000 through 2005.

[www.gao.gov/cgi-bin/getrpt?GAO-06-704](http://www.gao.gov/cgi-bin/getrpt?GAO-06-704).

To view the full product, including the scope and methodology, click on the link above. For more information, contact A. Bruce Steinwald at (202) 512-7101 or [steinwalda@gao.gov](mailto:steinwalda@gao.gov).

### What GAO Found

From 2000 through 2004, among beneficiaries who needed access to physician services, the percentages reporting major difficulties—that is, “having a big problem” finding a personal provider or specialist or never being able to schedule an appointment promptly—remained relatively constant. Nationwide, no more than about 7 percent of beneficiaries reported a major access difficulty. We identified certain beneficiary characteristics—including health status, age, and race—that were associated with beneficiaries’ reporting major access difficulties.

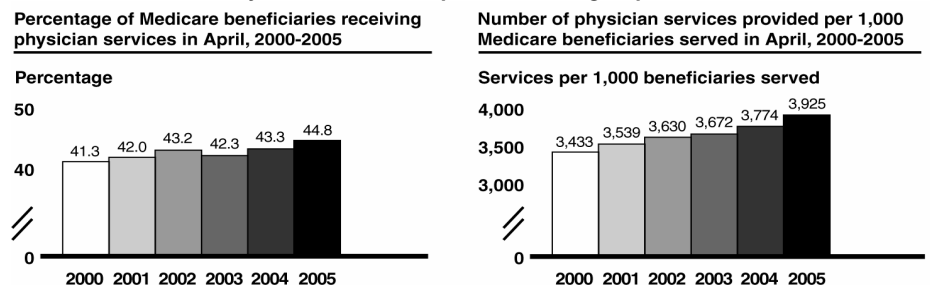
In general, from April 2000 to April 2005, an increasing proportion of beneficiaries received physician services and an increasing number of physician services were provided to beneficiaries who were treated (see figure). This trend was evident in every state’s urban areas and nearly every state’s rural areas.

Two other access related indicators—the number of physicians billing Medicare for services and the proportion of services for which Medicare’s fees were accepted as payment in full—increased from April 2000 to April 2005. These increases suggest that there was no reduction in the predominant tendency of physicians to accept Medicare patients and payments.

The increases in utilization and complexity of services GAO observed demonstrate that beneficiaries were able to access physician services. However, GAO did not determine the medical appropriateness of these increases. Although access to appropriate care is important, the implications of these trends in utilization for the long-term fiscal sustainability of the Medicare program would require careful examination.

CMS agreed with GAO’s findings and conclusions, stating that the analysis was well-conceived and executed. CMS also provided technical comments, which GAO incorporated as appropriate.

**Trends in Access to Physician Services, April 2000 through April 2005**



Source: GAO analysis of Medicare Part B claims and enrollment data from the Centers for Medicare & Medicaid Services.

Note: Beneficiaries and services were included if services were received in the first 28 days of April.