

# STATE OF ALASKA THE LEGISLATURE

2007

Source  
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Legislative  
Resolve No.  
10



Relating to the effect of Medicare rates on senior citizens' access to healthcare; and urging the United States Congress to increase Medicare rates for Alaska.

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## BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

**WHEREAS** approximately 55,000 state residents are enrolled in Medicare, and enrollment is expected to double in the next 25 years; and

**WHEREAS** the formula used to develop Medicare reimbursement rates fails to adequately reflect the costs of practicing medicine in the state; and

**WHEREAS** medical doctors in the state have testified that Medicare reimburses less than 50 percent of the doctors' costs of patient care; and

**WHEREAS** Alaska is the only state where Medicare reimbursement rates are lower than Medicaid reimbursement rates; and

**WHEREAS** very few medical doctors in the state accept new Medicare patients, and many current patients are being terminated from care for a lack of sufficient reimbursement so that the numbers of untreated Medicare patients is reaching critical levels; and

**WHEREAS** the United States Congressional Budget Office recently forecast that, under current law, Medicare reimbursement rates for medical doctors will be reduced by an

additional 10 percent in 2008; and

**WHEREAS** cumulative reductions in Medicare reimbursement rates for medical doctors are expected to reach 40 percent by 2015, and, during the same time frame, medical practice costs are expected to rise 20 percent; and

**WHEREAS** the state is expected to lose \$8,000,000 in federal payments to medical doctors as a result of the 2008 cuts in Medicare reimbursement rates alone, and the projected loss between 2008 and 2015 is \$240,000,000; and

**WHEREAS** the American Medical Association calls the Medicare reimbursement formula "broken beyond repair" and wants it replaced; and

**WHEREAS** the Medicare reimbursement formula has resulted in payments to medical doctors in 2007 at the same rates as in 2001; and

**WHEREAS** the United States Medicare Payment Advisory Commission is concerned that Medicare reimbursement rate cuts will worsen patient access to medical doctors; and

**WHEREAS** a national survey of medical doctors conducted by the American Medical Association found that nearly half of the medical doctors surveyed will be forced to decrease or stop accepting new Medicare patients if reimbursement rates are further lowered; and

**WHEREAS** the Military Officers Association of America stated that Medicare reimbursement rate cuts will significantly damage military beneficiaries' access to care, since military health insurance is linked to Medicare reimbursement rates;

**BE IT RESOLVED** that the Alaska State Legislature urges the United States Congress and the United States Department of Health and Human Services to rewrite the formulas used to develop Medicare reimbursement rates for Alaska to improve senior citizens' access to medical doctors in the state; and be it

**FURTHER RESOLVED** that the Alaska State Legislature urges the United States Congress to comprehensively rewrite the Medicare reimbursement system for the entire nation to address inequities in physician reimbursement that are leading to the collapse of the primary care system and limiting senior citizens' access to the physicians best qualified to coordinate their care.

**COPIES** of this resolution shall be sent to the Honorable Michael O. Leavitt, United States Secretary of Health and Human Services; and the Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S.

Representative, members of the Alaska delegation in Congress.