How Hard is it for Alaska’s Medicare Patients to Find Family Doctors?

Prepared for
Alaska Health Care Commission Meeting

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Alaskans 65 and Older

Non-Native Alaskans 65 and Older

- 1960: 4,085
- 1980: 8,193
- 2000: 31,467
- 2006: 38,227
- Projected: 86,112

Where Do Non-Native Alaskans Over 65 Live?

- Anchorage: 42%
- Mat-Su Borough: 13%
- Southeast (including Juneau): 14%
- Fairbanks NS Borough/SE Fairbanks census area: 14%
- Kenai Peninsula: 15%
- Remote rural: 2%

(2006 Estimate: 38,227)
Medicare In Alaska

Alaska Medicare Enrollment, 2005

People 65 and older: 41,469 (81%)
People with certain disabilities: 9,612 (19%)
Who Did We Interview?

<table>
<thead>
<tr>
<th><strong>How Many Primary-Care Doctors Are Available to See Medicare Patients?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Among Alaska Doctors Practicing General, Family, or Internal Medicine at Least 20 Hours per Week)</td>
</tr>
<tr>
<td>709</td>
</tr>
<tr>
<td>264</td>
</tr>
<tr>
<td>229</td>
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<td>Excludes 8 doctors unavailable during survey and 27 who declined interview.</td>
</tr>
</tbody>
</table>
What the Doctors Told Us

Medicare Policies of Primary-Care Doctors We Surveyed

Doctors who will see new patients under the Medicare system

- Anchorage (75)
  - Only established: 13
  - Established and new on very limited basis: 35
  - 20 doctors will see established Medicare patients

- Mat-Su (26)
  - Only established: 15
  - Established and new on very limited basis: 10
  - 1 doctor will see established Medicare patients

- Fairbanks (23)
  - Only established: 16
  - Established and new on very limited basis: 5
  - 2 doctors will see established Medicare patients

- Kenai Peninsula (26)
  - Only established: 24
  - Established and new on very limited basis: 2
  - 1 doctor will see established Medicare patients; 1 opted out

- Juneau (25)
  - 24 doctors will see only established

- Other Southeast (20)
  - 20 doctors will see only established

- Kodiak (10)
  - Only established: 10
  - 2 doctors will see only established

- Delta Junction, Tok, Valdez, and Unalaska (6)
  - 6 doctors will see only established

Where Are Anchorage Doctors Who Take New Medicare?

- Anchorage Neighborhood Health Center: 5
- Walk-in urgent-care clinic: 3
- Group practice: 3
- Solo practice: 2

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Anchorage Neighborhood Health Center

Growth in Number of Patients 65 and Older at Anchorage Neighborhood Health Center, 2001-2007

Patients over 65 jumped from 6% to nearly 14% of all patients who came to the clinic.

2001: 6%  
2007: 13.5%

The number of patients 65 and older more than doubled.

696  
2001  
1,583  
2007
Providence Hospital

Visits to Providence Hospital’s Emergency Room in Anchorage, Patients 65 and Older, 2004 to 2008

Visits per 1,000 Residents 65 and Older

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Why Are Doctors Seeing Fewer Medicare Patients?

Top Reason
- Inadequate Reimbursement

Other Reasons
- Billing Requirements
- Practice Already Has Enough Patients
- Medicare Patients Have a High Clinical Burden
- Concern About Medicare Audit
Medicare Cost Differential for Alaska

Medicare Geographic Cost Differential for Alaska Doctors

Congress legislates geographic differential for 2004 and 2005

Geographic differentials adjusted through administrative process

Alaska as % of U.S.

U.S. Average = 100%


Congress legislates permanent geographic differential for physician work, effective in 2009

Geographic differentials adjusted through administrative process

113% 112% 167%

106% 105% 129%
Comparison of Medicare and Private Insurance Payments

Medicare and Private Insurance Payments To Primary-Care Doctors, Anchorage and U.S. Average, 2005 and 2009
(New Patient, 30-Minute Visit)

- Medicare
  - Anchorage: 2005 - $162, 2009 - $118 (27% decrease)
  - U.S. Average: 2005 - $97, 2009 - $92 (5% decrease)

- Private Insurance
  - Anchorage: 2005 - $154, 2009 - $187 (21% increase)
  - U.S. Average: 2005 - $122, 2009 - $143 (17% increase)
Comparison of Payments to Private Doctors and the Anchorage Neighborhood Health Center

<table>
<thead>
<tr>
<th>New Patients</th>
<th>Doctor</th>
<th>ANHC</th>
<th>Medicare Payment</th>
<th>Patient Payment</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-minute visit</td>
<td>$94.90</td>
<td>$119.28</td>
<td>$23.72 = $118.62</td>
<td>$39.60 = $158.88</td>
<td></td>
</tr>
<tr>
<td>1-hour visit</td>
<td>$189.56</td>
<td>$119.28</td>
<td>$47.39 = $236.95</td>
<td>$76.20 = $195.48</td>
<td></td>
</tr>
</tbody>
</table>
# How Doctors Get Paid

## How Do Alaska Primary-Care Doctors Who See Medicare Patients Deal with the System?
*(Among 211 surveyed who see new or established patients)*

Most doctors accept standard Medicare fees and bill Medicare. They are called “participating.”

- **85%** Accept Medicare payment
- **4%** Charge up to 9% more than the allowable Medicare charge. But Medicare pays less and patients pay more.
- **11%** Some doctors don’t accept Medicare payments for their fees. They are said to have “opted out.”

### Example: How Much Would Patients Pay for a Service with an Allowable Medicare Charge of $100?

<table>
<thead>
<tr>
<th></th>
<th>Participating Doctors Charge $100</th>
<th>Non-Participating Doctors Can Charge $109.25</th>
<th>Doctors Who Have Opted Out Can Set Their Own Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare pays</td>
<td>$80</td>
<td>$76</td>
<td>$0</td>
</tr>
<tr>
<td>Patient pays</td>
<td>$20</td>
<td>$33.25</td>
<td>Entire doctor’s fee</td>
</tr>
</tbody>
</table>

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The authors thank the doctors and others in health care who took the time to help us.

This research summary and back-up materials for figures in this summary as well as a basic model that can be used to estimate how changing the balance between patients paying with Medicare and with private insurance could affect doctors’ revenues are available from ISER.

Go to ISER’s Web site:
www.iser.uaa.alaska.edu
907-786-7710