

# Losing Money on Medicare

---

Medicare, the government insurance company for everyone over age 65 (and for the disabled), pays fees to primary care physicians that guarantee bankruptcy. Additionally, 70% of hospitals in the United States lose money on Medicare patients. That's right ... for every patient over age 65, it costs the hospital more to deliver care than the government reimburses. That is why Mayo Clinic has said it will not accept Medicare payments for primary care physician visits at its Arizona facility. Mayo gets it. Nationwide, physicians are paid 20% less from Medicare than from private payers. If you are not paid a sustainable amount, you can't make it up in volume. It just doesn't pencil out.


Mayo lost \$840 million last year on Medicare. Since Mayo is considered a national model for efficient health care, if they are losing money it doesn't bode well for the rest of us who are much less efficient and who have fewer resources for integrated patient care. Instead of Medicare payments for clinic visits, Mayo will start charging patients a \$1,500 fee to be seen at their Glendale, Ariz., clinic. Much like a retainer, this fee will cover an annual physical and three other doctor visits. Each patient will also be assessed a \$250 annual administrative fee.

Primary care physicians are on the front line of patient care and senior patients are the most time-consuming. The average Medicare patient takes 11 different medications. Just refilling and coordinating the medication can take up an entire office visit, without addressing other health concerns. I grant all Medicare patients a half-hour visit because I would be chronically behind if I didn't. After paying office overhead, I am broke with Medicare.

I do not welcome the 65th birthday of my patients, but I continue to see them because I love my senior patients. No kidding, I really love being their doctor. They are grateful and respectful and have interesting health conditions. I am able to see them because I make my income from my administrative position and I have other patients who pay outside of Medicare.

Sad but true--unless we have true payment reform that values primary care and pays for coordination of care, I fear Medicare patients will not find enough willing physicians who accept Medicare in the future.

*Toni Brayer, FACP, is an ACP Internist editorial board member who blogs at [EverythingHealth](#), designed to address the rapid changes in science, medicine, health and healing in the 21st Century.*

Posted by Toni Brayer, MD at 3:00 PM 

Labels: [geriatrics](#) , [health care cost](#) , [medicare](#)

---