



Written by [Raven Clabough](#) on August 6, 2014

Doctors Reject Patients Over Low ObamaCare Reimbursements

As predicted, physicians have already begun to refuse patients with ObamaCare coverage because its plans have significantly reduced their reimbursements. With a physician shortage already posing a problem for insured Americans, this will only exacerbate that dilemma.

During an interview with National Public Radio, Dr. Doug Gerard, a Connecticut internist, explained the impact that the federal healthcare plans would have on his practice. He related that a private insurer pays \$100 for a typical patient visit, while Medicare's figure is approximately \$80. ObamaCare's plan more closely mirrors Medicare payments — a situation that Gerard indicated would be unsustainable for his practice.



“I cannot accept a plan [in which] potentially commercial-type reimbursement rates were now going to be reimbursed at Medicare rates,” Dr. Gerard told NPR. “You have to maintain a certain mix in private practice between the low reimbursers and the high reimbursers to be able to keep the lights on.”

Gerard believes that ObamaCare will be similar to Medicaid, which has left many patients struggling to find physicians who were willing to accept it because of its low reimbursement rates.

“I don’t think most physicians know what they’re being reimbursed [under ObamaCare],” Gerard asserted. “Only when they start seeing some of those rates come through will they realize how low the rates are they agreed to.”

Dr. Bob Russo, a radiologist and president-elect of the Connecticut State Medical Society, made similar comparisons.

“There’s no question that Medicaid, under its old rates, wasn’t working. So, have we just invented a new Medicaid that kind of slid the scale up a little more to make access a little more?” Russo asked.

Ken Lalime, CEO of Healthy CT, an insurance co-op, stated that insurers face the challenge of paying doctors enough while simultaneously maintaining low premiums.

“Every time you increase payments to providers, you have to offset that with increased reimbursements from the consumer,” he noted. “So there’s this balance between how much do you want to cost to provide that service and how much you can pass along in your premiums rates. It’s a balancing act.”

Of course, when reimbursements are set below what they would be in a free market, the quality of the care can be expected to be adversely impacted.



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Connecticut ObamaCare chief Kevin Counihan explains, “I think it could lead potentially to this kind of distinction that there are these different tiers of quality of care. That’s been something, at least in our state, that we’ve trying to work against. And the carriers are, as well.”

The *Daily Caller* puts this into perspective:

The problem is especially bad for private practices like [Dr. Doug] Gerard’s, where physicians’ income is directly tied to reimbursements. But hospitals — especially top-tier ones that treat the most difficult diseases — are also increasingly rejecting the low reimbursement rates. The nation’s best cancer treatment centers are often covered by very few exchange plans in their states; if Obamacare customers end up with a difficult-to-treat cancer, they’re likely to face a lower quality of care right off the bat.

And so while more Americans may have access to healthcare, they do not have access to a lot of physicians.

This trend was already well underway last year, when the *New York Post* [reported](#),

New York State Medical Society President Sam Unterricht is demanding a congressional probe after learning that one health carrier alone, UnitedHealthcare, is terminating contracts with up to 2,100 doctors serving 8,000 Medicare Advantage patients in the New York metro region.

And last year, a large number of Americans lost their physicians because many in the medical community were either seeking early retirement or moving to a cash-only plan with their patients.

Just 23 percent of 409 doctors surveyed in New York last year indicated they will be taking patients who have signed up through ObamaCare health exchanges.

A 2013 survey by the Deloitte Center for Health Solutions found that six in 10 physicians reported that it is likely their colleagues will be retiring earlier as a result of ObamaCare.

And as mentioned earlier, Americans have already been struggling to find physicians.

“America is running out of doctors,” wrote the *National Journal* earlier this year. “The country will be 91,500 physicians short of what it needs to treat patients by 2020, according to the Association of American Medical Colleges. By 2025, it will be short 130,600.”

The highest demand nationwide is for primary care physicians, such as general internists, family doctors, and pediatricians — the kinds of physicians many people go to first for non-emergency medical attention before seeing specialists. In 2012, an *Annals of Family Medicine* study [predicted](#) that the country will need 52,000 more primary-care physicians by 2025.

But even as students are enrolling in medical schools in record numbers, they are not necessarily becoming physicians. The *National Journal* explains: “The number of residencies — crucial stages of medical training — has not risen with the number of applicants, thanks to a government imposed cap.”

Organizations such as the Association of American Medical Colleges have been lobbying for a change to the law, asserting that there will not be enough residencies to meet the demands of the incoming young physicians by next year.

“Residency training gives new physicians hands-on experience and provides high-quality care to patients,” said American Medical Association President Jeremy Lazarus, M.D. “Limiting the slots available to train physicians as they leave medical school creates a bottleneck in the system and prevents the physician workforce from growing to meet the needs of our nation’s patients.”



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A study by the RAND Corporation found that expanding medical homes and health centers where nurse practitioners and physician assistants service patients would reduce the primary-care physician shortage in half by the year 2025.

“Growing use of new models of care that depend more on nonphysicians as primary care providers could do much to reduce the nation’s looming physician shortage,” said David Auerbach, the study’s lead author and a policy analyst at RAND. “But achieving this goal may require changes in policy, such as laws to expand the scope of practice for nurse practitioners and physician assistants, and changes in acceptance, on the part of providers and patients, of new models of care.”



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