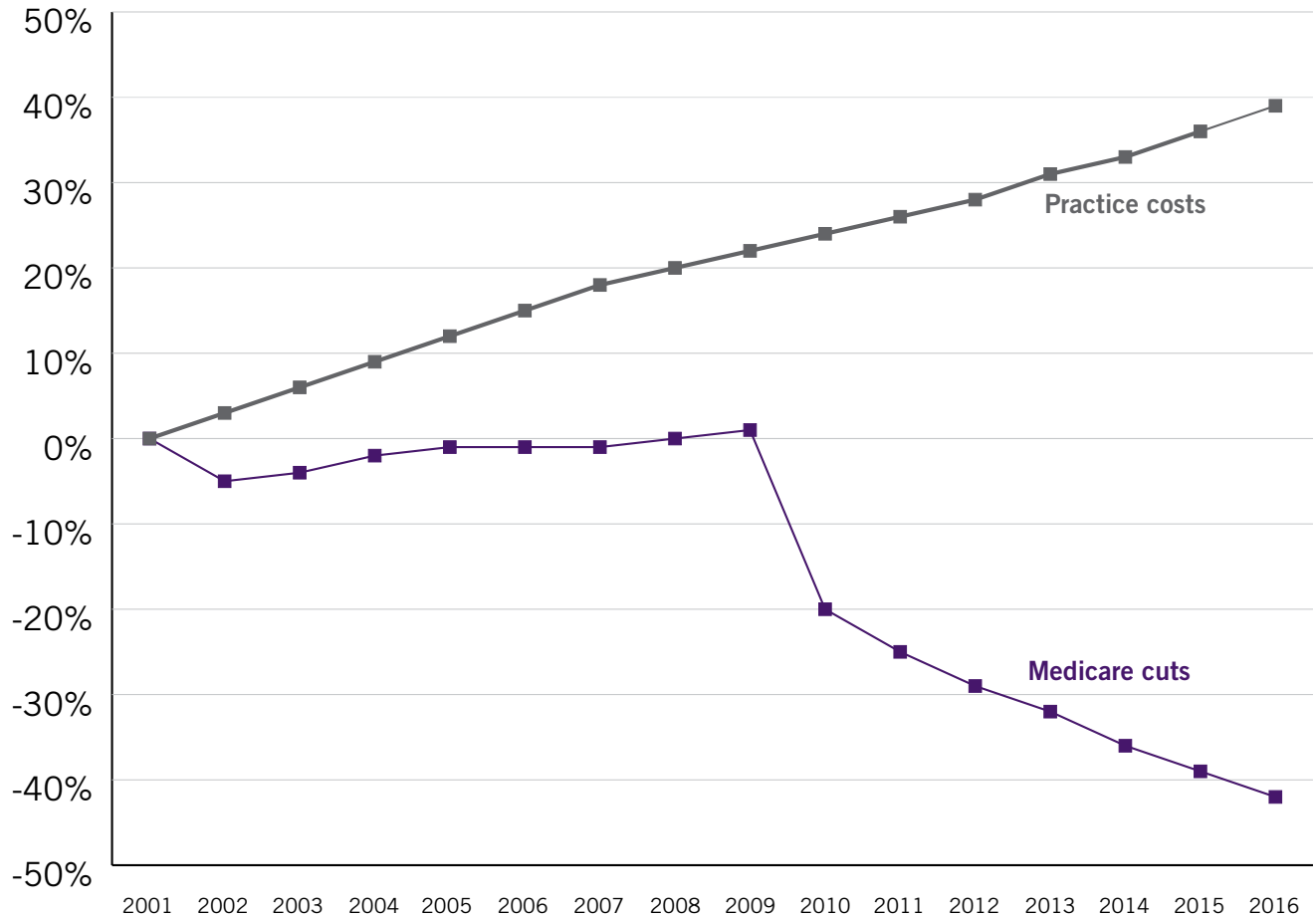


# Future bleak for seniors, baby boomers: Medicare to cut payments as boomers enter the program.

Without congressional intervention, Medicare physician payment rates will be cut about 40 percent by 2016, while practice costs will rise nearly 20 percent. These cuts come at a time when Medicare physician payment updates already lag far behind increases in the costs of caring for seniors. In 2011, the leading edge of the baby-boom generation will start enrolling in Medicare, with enrollment growing from 44 million in 2011 to 50 million by 2016.



Physician cost data is from the MEI, a conservative measure of practice cost growth maintained by CMS. Medicare cuts are from the 2008 Medicare Trustees report, with adjustments to reflect Sec. 131 of P.L. 110-275. Prepared by American Medical Association, Division of Economic and Health Policy Research, August 2008.