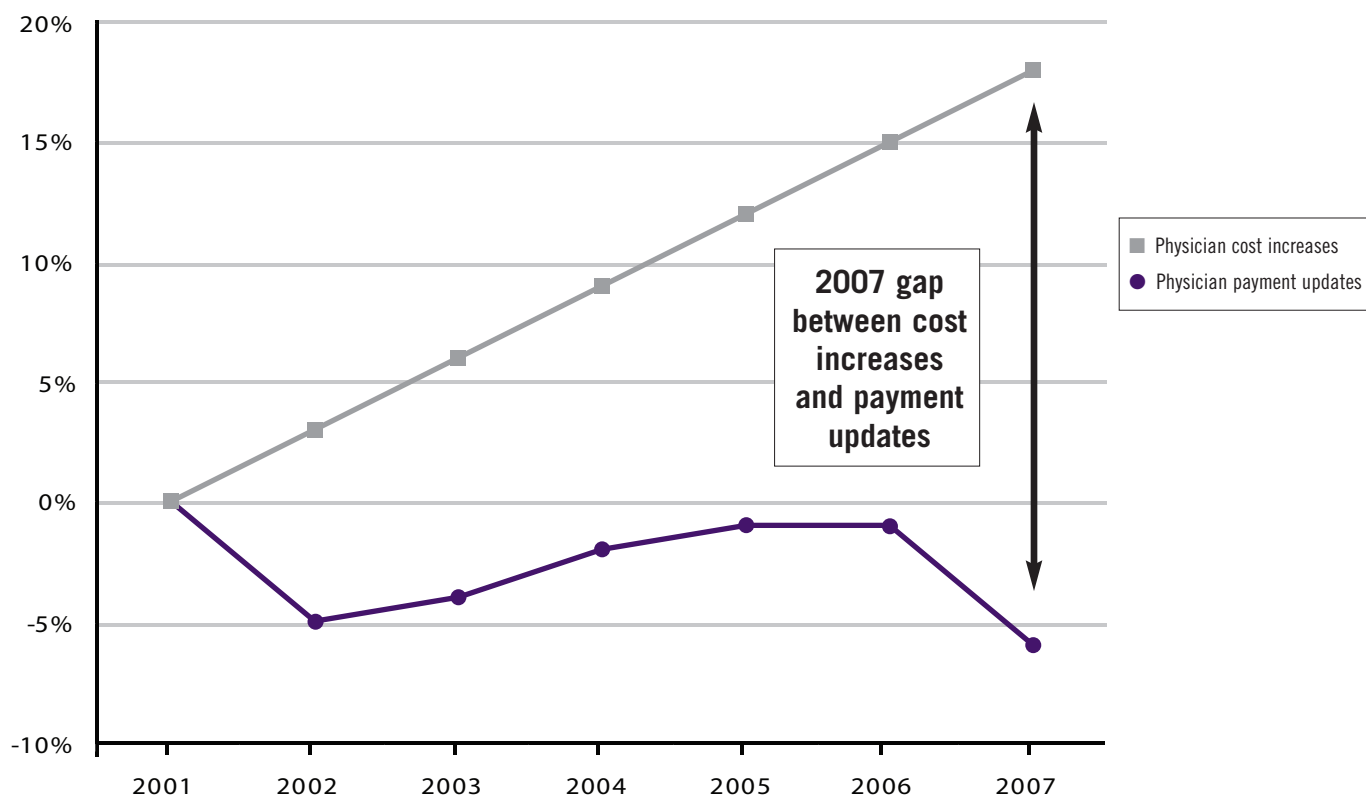


# Costs vs. payment updates

## The UN-Sustainable Growth Rate—2001 through 2007



**Sources:** Physician cost data is from the MEI, a conservative index of practice cost growth maintained by the Centers for Medicare and Medicaid Services (CMS). Conversion factor updates are from CMS Office of the Actuary. Analysis of Medicare payment updates relative to MEI is by American Medical Association, Division of Economic and Statistical Research, August 2006.

### Ask your Members of Congress to:

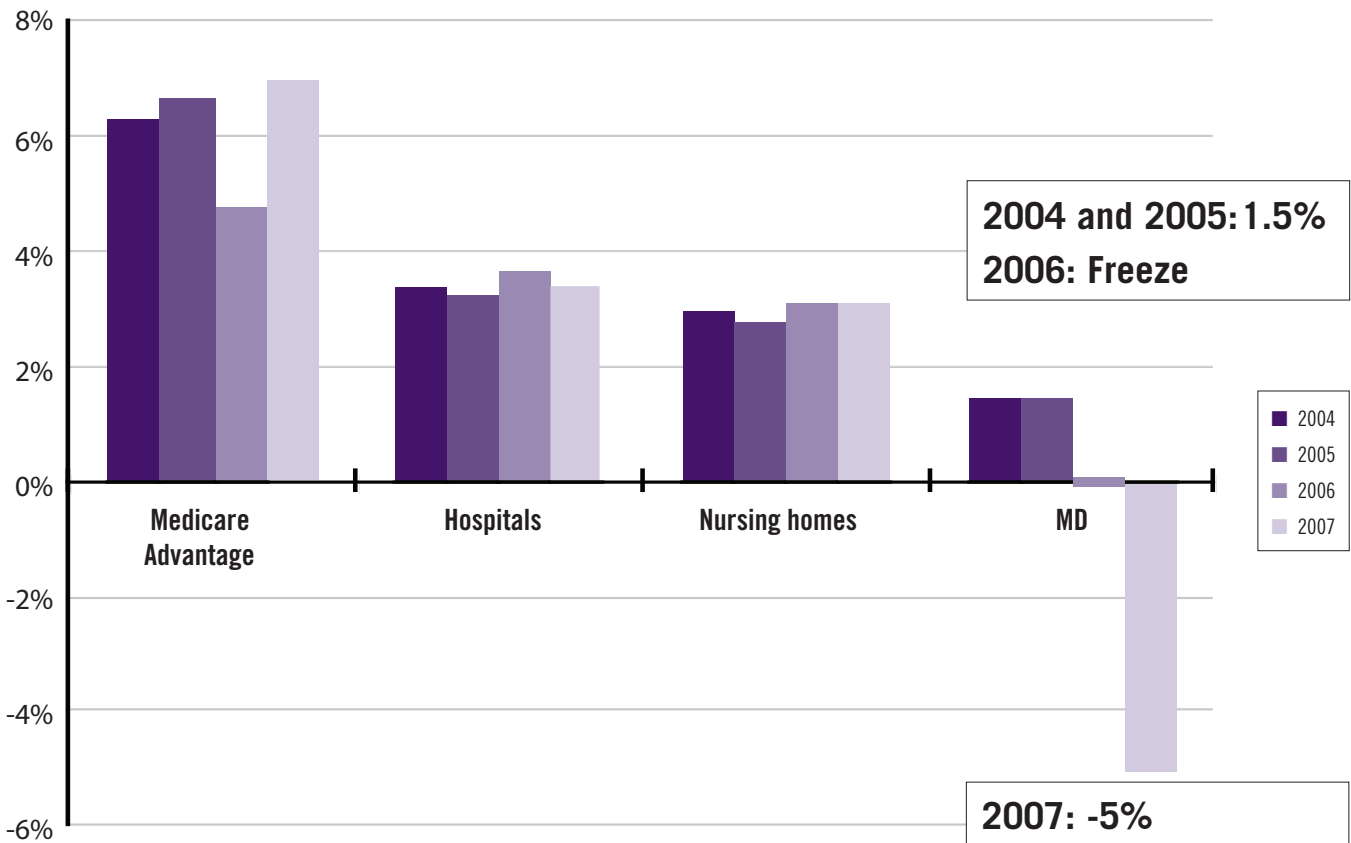
1. Take action this year to prevent physician payment cuts in 2007 and secure a positive payment update that accurately reflects practice cost increases as recommended by the Medicare Payment Advisory Commission.
2. Replace the unsustainable growth rate formula with a payment system that accurately reflects practice cost increases, thereby preventing the need for congressional intervention each year to avert steep cuts.



# Physicians vs. other providers

## 2004-2007 Medicare payment updates

Physicians face below-inflation updates, a freeze and a steep cut, while other Medicare providers keep pace with their costs.



\*2007 projections based on current law and available Centers for Medicare & Medicaid Services estimates, November 2006.



