

## **New Jersey**

By 2015, the 2006 Medicare Trustees report predicts that Medicare physician payment rates will be cut by 37% due to the flawed payment update formula, starting with a cut of nearly 5% in 2007.

**From 2007-2015, Medicare payments in New Jersey will be cut by \$7.81 billion.**

**For physicians in New Jersey, the average annual cut over this period of time will be \$31,000 per year for each physician.**

**The first of the 9 annual Medicare pay cuts is slated to occur on January 1, 2007. The 2007 cut to New Jersey physicians will be \$123 million.**

**Data from the Bureau of Labor Statistics show that these Medicare physician payment cuts will have an impact on 91,080 employees in New Jersey.**

These figures represent the impacts on Medicare Physician Payment Schedule services only and do not include potential spillover effects from private, Medicaid, TRICARE and other plans that tie payments to Medicare rates. In addition, per physician impacts may vary considerably within the state depending on each physician's Medicare patient load and utilization.

The projected Medicare SGR conversion factor cuts are from the 2006 Medicare Trustees Report, May 2006. The source of the state impact analysis is the American Medical Association Division of Economic and Statistical Research, May 2006.