

November 29, 2010

Dear Medicare Patient:

Our mission at Raleigh Medical Group, PA is to provide quality medical care and support services to all of our valued patients. The patient-physician relationship is very important to us and we feel it is necessary for us to keep you informed of changes that may affect that relationship.

Starting January, 2011 there will be a change in payment policy for patients enrolled in traditional Medicare. At the time of service you will be asked to pay the amount Medicare allows our practice to charge. Raleigh Medical Group will file the claim for these services with Medicare and your secondary insurance with reimbursement to be mailed directly to you. This change will apply to all divisions of Raleigh Medical Group, PA including Raleigh Adult Medicine, Cary Medical Group, Raleigh Medical Group Gastroenterology, Cary Medical Group Gastroenterology, and the Raleigh Medical Group primary care on Haworth Drive.

With this advance notice we expect the change to go smoothly. Be assured, while our policies have changed, our commitment to you remains the same. We thank you in advance for your support and your continued presence in our practice.

Sincerely,

Raleigh Medical Group, PA

Frequently Asked Questions

What will be different in January 2011?

You will be asked to pay the charges for your visit at the time you leave the office with Medicare and other reimbursement mailed to you once the claim is processed.

Will I need to file my insurance claim with Medicare?

Raleigh Medical Group will file the claim on your behalf.

Do I need to find a new doctor?

Not at all. You will be able to continue seeing your usual physician at each of the Raleigh Medical Group offices. There will be no changes in the quality of care you we hope you choose to continue with our physicians.

What does "non-participation" with Medicare mean?

This term refers to practices which have Medicare send the reimbursements to the patient rather than paying the practice directly. Although the maximum amount the practice charges for a service is determined by Medicare we

have more flexibility. Your reimbursement should be approximately 70 percent of the charges. If you also have Medicare supplemental insurance you may be eligible for additional reimbursement.

What about Medicare Advantage plans?

The payment policy discussed in this letter applies only to traditional Medicare Part B. If you choose one of the Medicare Advantage plans, which is Medicare Part C, the policies are as outlined by that plan.

Why is Raleigh Medical Group, PA making this change?

In the past, we always chose to remain as participating physicians with the Medicare program, despite yearly decreases in reimbursements levels for those services we provide, ever increasing and burdensome regulations, as well as a steady increase in paperwork. For the past several years, the Medicare payment rate to physicians has remained relatively unchanged while the costs of running a practice, such as staff, office space and insurance have steadily increased. Making matters worse, in 2010 Congress repeatedly delayed payments to physicians and Medicare payments to physicians are scheduled to be cut by 22 percent. This continued trend of declining reimbursements, coupled with the increased costs we continue to experience each year, erodes our capacity to continue the type of quality healthcare we feel our patients deserve. Please understand that this does not mean we are opting out of the program, but will continue in the program under the "non-participating" status.