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Congress Told to Replace Sequestration Cuts With Alternative to Achieve Fiscally, Socially Responsible Policies

Annual State of the Nation's Health Care briefing provides framework to gain health care savings while preserving funding for critical programs

(Washington) Congress today was told to replace the \$1.2 trillion in across-the-board sequestration-mandated budget cuts. The request was made by Virginia L. Hood, MBBS, MPH, FACP, president of the American College of Physicians (ACP), at today's annual [State of the Nation's Health Care briefing](http://www.acponline.org/advocacy/events/state_of_healthcare/) (http://www.acponline.org/advocacy/events/state_of_healthcare/). She declared that what is needed is an alternative framework to achieve fiscally and socially responsible policies to gain health care savings while preserving funding for critical programs.

"Today, ACP releases a report on the State of the Nation's Health Care in 2012 that is a story of both progress and continuing challenges." Dr. Hood said. "ACP's members are encouraged about the progress being made in addressing some of the challenges to providing affordable, available, and quality care to most Americans, but they are sobered by the obstacles that remain."

The report described the progress and challenges:

- The Affordable Care Act has begun to reduce barriers to care for tens of millions of persons, including young adults, children with pre-existing conditions, and seniors who now have access to "no cost" preventive care and discounted brand-name drugs. Yet, because the law will not be fully in effect until 2014, more than 46 million persons reported that they went without health insurance in 2011.
- Outcomes have improved on several key health indicators, including reductions in all five leading causes of death, yet disparities in care exist for many underserved populations.
- There has been a dramatic increase in primary care physicians who are benefiting from scholarships and loan forgiveness under the National Health Services Corps, providing

improved access to care for millions of persons in underserved communities. At the same time, the United States still is facing a projected shortage of more than 40,000 primary care physicians overall.

- Annual health care cost increases have reached a 50-year low, continuing an eight year slow-down, yet spending on health care still is projected to continue to grow faster than the economy, consuming a larger share of the economy as measured by percentage of GDP and the federal budget.

“While we are pleased there is progress being made to improve access, reduce costs, and address physician shortages,” Dr. Hood continued, “recent and proposed cuts in federal funding for many critical health programs threaten to turn back the clock, endangering the health of millions of persons and threatening access to care for the most vulnerable Americans.”

A better way to achieve health care savings while ensuring funding for critical health programs, she said, is to enact reforms to address the true drivers behind health care cost increases. The report outlined a specific set of policies that would reduce health care spending by hundreds of billions of dollars, including:

1. Use dedicated funding for overseas military operations that will not be needed to eliminate the Medicare Sustainable Growth Rate formula (SGR). Create a pathway to new payment models to align incentives for physicians with value to the patient.
2. Enact policies to reduce the costs of defensive medicine.
3. Make structural improvements in Medicare to reduce costs and improve quality.
4. Reform federal tax policies to encourage individuals to consider cost in the selection of health benefit plans.
5. Establish a multi-stakeholder initiative to promote high value care and reduce utilization of marginal, unsafe, and ineffective care.

“Many of ACP’s ideas for reducing health care costs in a fiscally and socially responsible way have been embraced by bipartisan groups that have been charged with developing a comprehensive plan to reduce the federal deficit,” observed Bob Doherty, ACP’s Senior Vice President of Governmental Affairs and Public Policy. “Regrettably, though, a broken political culture that demands confrontation over compromise has made it impossible for Congress to achieve agreement on such common-sense, common-ground approaches.”

“The 2012 elections,” he continued, “could result in even more inflammatory and misleading rhetorical attacks intended to fire up voters—causing even more cynicism, polarization, and lack of confidence in the ability of elected governments to deal responsibly with health care.”

The answer to the country’s broken politics, Mr. Doherty said, is “for voters to demand that the candidates provide detailed answers to how they would address the challenges in American health

care.” To that end, ACP today also issued a checklist to help voters discern how candidates – presidential and congressional – propose to address the challenges of unsustainable cost increases and uneven quality and access.

The American College of Physicians (www.acponline.org) is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 132,000 internal medicine physicians (internists), related subspecialists, and medical students. Internists specialize in the prevention, detection, and treatment of illness in adults. Follow ACP on Twitter (www.twitter.com/acpinternists) and Facebook (www.facebook.com/acpinternists).