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## NEW AMA VIDEO ILLUSTRATES THE NEED FOR REPEAL OF SGR NOW

*Physicians group says Congress must act to keep cuts and costs from growing*

WASHINGTON – In a new video shared with members of Congress and [posted online](#) (<http://youtu.be/jNmuyZW3qc>), the American Medical Association (AMA) is calling attention to the need for swift repeal of the broken Medicare physician payment formula, known as the sustainable growth rate (SGR).

“With a nearly 30 percent cut scheduled to occur on January 1, and the cost of reform increasing, the AMA released this video to show that the time for Congress to act is now,” said AMA President Peter W. Carmel, M.D.

The cost of physician payment reform has grown over the years due to frequent short-term fixes passed, but not fully paid for, by Congress. The cost of permanent reform in 2005 would have been \$48 billion, but today it is estimated to be nearly \$300 billion. The cost will continue to rise to \$500 billion in only a few short years without action. The amount of the scheduled cuts has also grown and threatens access to care for seniors and military families.

The AMA video notes that “Since 2002, Congress has stepped in 12 times to stop these cuts—4 times just last year. But, like making minimum payments on a credit card, they never really pay the bill.” It then calls on congress to “...make the fiscally responsible choice. Stop digging the hole, pay the bill. Repeal the SGR.”

The AMA has called for a three-pronged approach to reform, which was outlined during [testimony](#) (<http://www.ama-assn.org/ama/pub/news/news/ama-president-testifies-medicare-payment.page?>) before Congress. The approach includes repealing the failed SGR formula, implementing a five-year period of stable Medicare physician payments, and testing demonstration and pilot projects that could form the basis for a new Medicare physician payment system.

The AMA and 112 state and medical specialty societies sent a [letter](#) (<http://www.ama-assn.org/resources/doc/washington/sgr-sign-on-letter-27june2011.pdf>) to the president, vice president and congressional leaders urging reform of the broken Medicare physician payment formula as part of any deficit reduction plan. Repeal of the SGR has bipartisan support, and was included in the recent deficit reduction [plan](#) (<http://www.ama-assn.org/ama/pub/news/news/gang-six-repeal-sgr.page?>) from the “Gang of Six” Senators.

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