

NEWS FROM THE AMA
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PHYSICIANS TELL PRESIDENT, CONGRESS: MEDICARE PAYMENT REFORM MUST BE PART OF DEFICIT REDUCTION PLANS

Groups tell policymakers delaying action only adds to the national debt

WASHINGTON – Today, 112 state and medical specialty societies joined the American Medical Association (AMA) in sending a [letter](http://www.ama-assn.org/resources/doc/washington/sgr-sign-on-letter-27june2011.pdf) (<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. This formula, known as the Sustainable Growth Rate (SGR), is set to trigger a drastic cut of nearly 30 percent on January 1 and threatens access to care for Medicare patients.

“There is wide bi-partisan agreement that permanent reform of the broken Medicare physician payment system is critical and that we must address our growing national debt,” said AMA Immediate Past President Cecil B. Wilson, M.D. “These problems must have a shared solution. The longer Congress waits to enact permanent physician payment reform, the greater the burden will be on our national debt.”

The physician organizations told policymakers that the cost of physician payment reform has been growing over the years as Congress enacted frequent short-term fixes. As recently as 2005 the cost of permanent reform would have been \$48 billion, but today it is estimated to be nearly \$300 billion over the next ten years. If action is not taken now, the cost will continue to escalate to \$500 billion in only a few short years.

“For far too long physicians have faced the persistent threat of debilitating cuts and lagging reimbursement rates, forcing them to make difficult decisions about the number of Medicare patients they can see,” said Dr. Wilson. “As Medicare turns 45 and a generation of baby boomers enters the program, stability is needed now more than ever. Patients and physicians deserve a Medicare system they can count on, and any plan to reduce the deficit must address the broken physician payment system and protect access to care for patients.”

The AMA has called for a three-pronged approach to reforming the physician payment system, which was outlined during [testimony](http://www.ama-assn.org/ama/pub/news/news/ama-president-testifies-medicare-payment.page) (<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.

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