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AARP: Medicare Should Encourage Quality Care, Not Drive Up Costs for Seniors

WASHINGTON—AARP Executive Vice President Nancy LeaMond today sent a letter to leaders of the House Ways and Means Committee in advance of a hearing in the Subcommittee on Health on Medicare physician payments. AARP recognizes that the current physician payment system is broken and needs a long-term repair. In her letter, LeaMond emphasized the need to keep doctors in Medicare and encourage them to provide quality, coordinated care. However, the Association is concerned that some proposals under consideration would simply shift costs to seniors, rather than provide incentives to doctors for providing quality, coordinated care.

Excerpts from LeaMond's letter follow:

"... Unless Congress acts by the end of this year, doctors will see a nearly 30 percent cut in their payments from Medicare. Facing this constant uncertainty and dramatic cuts to their payments, more and more physicians are choosing to no longer take Medicare patients, which impacts beneficiaries' access to care."

"The Medicare program must be kept affordable. When it was created in 1965, more than half of older Americans were uninsured and they were the population most likely to be living in poverty. Today, the average older person already spends about one third of his/her income on health care. If Part B premiums and cost-sharing continue to escalate, many more beneficiaries will find it increasingly difficult to pay for the care they need."

"The recently introduced Medicare Patient Empowerment Act (H.R. 1700) would relax the Medicare private contracting rules to allow Medicare beneficiaries to contract with their physician outside of Medicare at rates established between the patient and provider. AARP strongly opposes relaxing the current Medicare rules related to balance billing and/or private contracting because they would do nothing more than shift costs onto Medicare beneficiaries. Private contracting and balance billing increase health care costs by raising prices."

"... [N]ot only do private contracting and balance billing shift costs onto beneficiaries, but neither do anything to improve the quality of care delivered. In fact, under both approaches, physicians will continue to be rewarded by the quantity of care provided, rather than on the quality of that care. As Congress grapples with how to address the SGR problem, it should focus on rewarding quality providers, not the quantity of services provided."

"... [W]e urge Congress to enact legislation that emphasizes value over volume and improves the quality of care for Medicare beneficiaries."

"... [T]he recently enacted Affordable Care Act (ACA) included many delivery system reforms—such as Accountable Care Organizations (ACOs), patient-centered medical homes, value-based

purchasing, quality-based payments, and patient safety initiatives. We have been working closely with providers, physicians, and health plans to help ensure that these delivery system reforms can be implemented so that current and future beneficiaries can realize a Medicare program that is both higher quality and more efficient.”

“... [T]hese types of major delivery system reforms take time, planning, and commitment from Congress, the Administration, and providers to achieve a new way of delivering care with new incentives based on achieving quality—not quantity—of care. In addition, we believe our nation’s leaders must help educate seniors about both planned and proposed changes to the Medicare system. Asking seniors simply to continue to pay more and more to see their doctor can’t be the answer.”

For a complete copy of AARP’s letter to the committee leaders, please contact AARP Media Relations at 202-434-2560 or [media@aarp.org](mailto:media@aarp.org).

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