

Statement of the State and Specialty Medical Societies on the Medicare Physician Payment Crisis

Failure by Congress to fulfill its responsibilities is undermining patient care in America. Three times this year, Congress has missed a deadline for dealing with Medicare's sustainable growth rate (SGR) formula, raising the specter of a 21 percent payment cut for physician services. The disruption and uncertainty for patients and physicians has made Medicare an unreliable program.

If Congress does not act this week, Medicare physician payments will be cut 21 percent. These cuts will also extend to the TRICARE program which serves military families, as well as some Medicaid programs, workers compensation programs and private insurance plans. The ripple effect of the 21 percent Medicare cut will be devastating to physician practices.

Congressional mismanagement of the Medicare program will force more physicians to stop accepting new Medicare and TRICARE patients; lay-off staff; and defer investment in new medical equipment, health information technology, and other innovations that improve patient care.

Patients and physicians should not become collateral damage in a Congressional stalemate on budgetary matters. We expect our elected officials to resolve the budget issues without punishing physicians, seniors and military families.

Past actions by Congress created the current budgetary challenge. Further, since 2003, Congress has compounded this problem by employing budget gimmicks that defer immediate cuts by stipulating deeper cuts in future years.

Democrats and Republicans agree that the flawed Medicare formula that is responsible for pending cuts should be repealed. The annual SGR battle diverts attention from more productive delivery and payment reform initiatives. We must move to a payment system that fosters innovation and rewards physician efforts to lower the rate of growth in Medicare spending across the existing silos in the program.

Medicare must adequately cover the cost of care and close an existing 20 percent gap as measured by the government's own conservative measure of annual increases in medical practice costs.

We must also allow seniors who wish to contract directly for their care with a physician of their choice to do so without foregoing the Medicare benefits for which they paid during their working years. Medicare benefits were earned by and belong to Medicare beneficiaries. They must be allowed to assign these benefits as they see fit.

Playing brinksmanship with the health care of seniors and military families is inexcusable and represents a dereliction of duty. We urge Congress to honor its obligation to provide access to quality care to America's seniors and military families by taking action to fix the Medicare physician formula problem now!

American Academy of Dermatology
American Academy of Facial Plastic & Reconstructive Surgery
American Academy of Family Physicians
American Academy of Hospice & Palliative Medicine
American Academy of Neurology
American Academy of Ophthalmology

American Academy of Pain Medicine
 American Academy of Pediatrics
 American Academy of Physical Medicine & Rehabilitation
 American Academy of Sleep Medicine
 American Association for Hand Surgery
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 American Society for Clinical Pathology
 American Society for Reproductive Medicine
 American Society for Surgery of the Hand
 American Society of Addiction Medicine
 American Society of Cataract & Refractive Surgery
 American Society of Cytopathology
 American Society of Ophthalmic Plastic & Reconstructive Surgery
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