

LEADERSHIP DAY 2004

Key issues addressed ACP Members during the 2004 Leadership Day on Capitol Hill included: Updating the Medicare fee schedule; Achieving universal health care coverage, Professional liability reform, and National health information infrastructure. Physicians today may know more about the SGR than about the EKG. The medical community hears every day that the Sustainable Growth Rate (SGR) formula, utilized by Medicare to determine physician reimbursement, would be more accurately called the Unsustainable Growth Rate Formula. Though the SGR may reflect good intentions, it has proven to be a poor tool. Last year Congress prevented what would have been a 4.5% cut in Medicare fees, by providing for 1.5% increase in 2004 and 2005. However, if additional action is not taken by end 2005, 5% cuts will occur each year from 2006-2012, amounting to a total of 30% reduction in Medicare fees!

The SGR equation includes drug prices over which doctors have no control, and considers every examination, even those now mandated by Medicare as being the basis for the reimbursement penalty. The SGR does not need a “fix,” which is the popular terminology on Capital Hill. The SGR needs to be abandoned and replaced.

It is unfortunate that in the matter of reimbursement for medical services we have gone so far and deep into insurance payments that we are well beyond returning to the market place to set the price of medical services. Today, a party other than physicians and patients will determine what we will earn. Since this is the case, let that determination reflect the elegance and simplicity that characterizes a good equation. That means the formula used to pay us should contain all the elements necessary (elegance) and nothing in greater proportion than its contribution (simplicity).

Costs, incentives to innovation, and acknowledgement of excellent care all need recognition in a proper reimbursement formula. These considerations need to be coupled to individuals in the medical community whose background and experience would allow them to develop an economic reimbursement model. Certainly we could expect one superior to what we have with the SGR.

To date, no major medical organization such as the AMA, American College of Physicians, or the Centers for Medicare and Medicaid Services have been able to bring people together to discuss an improved model. Most prior efforts have been directed toward a short-term change, a fix, such as the last minute 1.5% Medicare reimbursement recently thrown into the Medicare Modernization Act. The solution is total redesign of the formula, and will require the wholehearted support of us all.

All members of congress were urged to cosponsor the HealthCARE Act of 2003 (S.1030 or HR 2402), bills introduced by New Mexico Senator Jeff Bingaman and Ohio Representative Marcy Kaptur. Both Senator Bingaman and Representative Kaptur took time from their busy schedules to address the ACP

ACP members also lobbied members of congress to support legislation to encourage the creation of interoperable health information networks by facilitating the development and pilot testing of industry standards for interoperability, providing financial resources to support acquisition of new information technology, and providing funding for demonstration projects.

All those who attended the 2004 ACP Leadership Day found the experience very positive. Please consider attending with the Michigan Delegation in 2005. Contact **Jan DiMarco** at the Chapter Office to indicate your interest.

CONGRATULATIONS NEW FELLOWS

Elected November, 2003

Thomas Auer
Khalil Baroud
Mirella Ducu
Franz Jaggi

Keith Johnstone
Muhammad Karim
Irene Kazmers
Oscar Macal

John Marvin
William Murray
Gregorio Tan
Michael Trexler