Internists “Applaud” Schwartz Proposal to Prevent “Devastating” Medicare Cuts

American College of Physicians supports framework to repeal the SGR formula

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The 132,000 Internal medicine physician and medical student members of the American College of Physicians applaud Rep. Allyson Schwartz (D-PA) for urging the Joint Select Committee on Deficit Reduction to include broad reforms based on her MEDICARE PHYSICIAN PAYMENT INNOVATION ACT. This proposal repeals the flawed Medicare SGR formula and creates a pathway to better payment systems for physicians providing services to patients enrolled in Medicare and TRICARE.

The MEDICARE PHYSICIAN PAYMENT INNOVATION ACT proposal prevents devastating cuts in payments for physician services, including a cut of more than 27 percent scheduled to go into effect on January 1, 2012. If Congress allows this cut to go into effect, physicians will have to consider a range of painful options, including closing their practices; limiting how many Medicare patients that they can see; laying off staff; and postponing purchase of electronic health records and other investments to improve patient care.

Instead of SGR cuts that will have such devastating impacts on patient care, this proposal stabilizes payments through 2016, ensuring that there will be no percentage cuts—and positive updates in calendar years 2013-16—for all physician services. At the same time, the MEDICARE PHYSICIAN PAYMENT INNOVATION ACT proposal recognizes the critical importance of addressing long-standing inequities in payments for undervalued services provided by internal medicine specialists and other primary care physicians. From 2013 through 2016, primary care services would get an appropriately higher update than other services, an important step to address economic disincentives contributing to the growing shortage of internal medicine physicians and other primary care specialties.

Finally, the proposal creates incentives for physicians to transition to new payment models aligned with value to patients, such as Patient Centered Medical Homes, instead of continuing to pay physicians on a purely fee-for-service basis. It provides a specific legislative timetable for
the Centers for Medicare and Medicaid Services to expand, evaluate and adopt different payment models, and for physicians to transition to the most effective models.

We urge Congress to act in a bipartisan fashion to enact legislation based on this framework, and by doing so, put an end to the cycle of annual Medicare SGR cuts to doctors and their patients, once and for all—and lead the way to new patient-centered models of payment and delivery.

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http://www.acponline.org/pressroom/internists_applaud_schwartz.htm