



SUPPORT FAIR PHYSICIAN REIMBURSEMENT: PERMANENTLY FIX THE SGR

The American College of Rheumatology strongly urges Congress to pass legislation revising the Medicare payment methodology to ensure appropriate reimbursement for physicians.

Patients Access is Threatened by Steep Medicare Cuts

Since 2002, Congress has repeatedly intervened to prevent severe cuts to the Medicare physician fee schedule. Rheumatologists and other physicians are expected to face a 29.5 percent to Medicare payments as of January 1, 2012. These cuts threaten seniors' access to health care and potentially limit access to care for all Americans.

It is Fiscally Responsible to Fix the SGR Now

From a budgetary perspective, the most responsible action is to repeal the SGR today. In 2005, the scheduled payment cut was 3.3% and the Congressional Budget Office estimated the cost of a 10-year physician payment freeze at \$48.6 billion. Today, physicians are facing a 27% cut and the CBO recently estimated the cost of a freeze to be more than \$300 billion over 10 years. The cost will be over \$500 billion in 2014 if Congress continues to place a "Band-aid" on the problem and does not permanently repeal the SGR this year.

The SGR Contains Factors Over Which Physicians Have Little Control

The sustainable growth rate is part of the formula used to calculate physician reimbursement for Medicare. Unfortunately, the basic premise of the formula is flawed. The SGR is linked to the performance of the overall economy, yet the medical needs of individual patients do not shrink whenever the economy slows. When overall spending on services in the SGR exceeds the per capita gross domestic product, cuts to physician reimbursement are triggered. This skews the calculation of the SGR and triggers overly harsh reductions in physician reimbursement.

ACR urges Congress to be fiscally responsible and permanently repeal the sustainable growth rate before December 31, 2011. Repealing the SGR is essential to ensuring Medicare patients have access to appropriate health care.

Please contact the ACR's Government Affairs Director Aiken Hackett, at (404) 633-3777 or ahackett@rheumatology.org for more information.