

ACP urges Congress to 'create solution to endless cycle of medical physician payment cuts'

December 17 2012

The American College of Physicians (ACP) today urged Congress to pass legislation that will "create a permanent solution to the endless cycle of Medicare physician payment cuts." Three-page letters were sent to U.S. House and Senate leaders emphasizing that "there is no plausible route to entitlement reform that does not include full repeal of the Medicare Sustainable Growth Rate (SGR) formula."

Representing 133,000 [physicians](#), ACP noted the issue is especially timely and critical. "Congress has a unique opportunity now, in the context of discussions on the 'fiscal cliff' and entitlement reform, to create a clear timetable and policy direction, resulting in permanent SGR repeal no later than next year, accompanied by a transition to value-based payment and delivery system reforms," David L. Bronson, MD, FACP, president of ACP told congressional leaders. "The Medicare SGR formula acts as the greatest single barrier to transition to new approaches to develop new payment and delivery models aligned with value to patients."

Specifically, ACP urged Congress to, "prevent the nearly 30 percent cut in [Medicare payments](#) to services provided by physicians that will occur after the first of the year—resulting from [sequestration](#) and the SGR formula—AND create a legislative pathway and timetable for permanent repeal of the SGR and transition to value-based payment and delivery models."

A three-step process was offered to bring about a permanent replacement for the SGR:

Step 1: Enact legislation now to stop the scheduled Medicare cut on January 1 that would also provide direction to the Medicare authorizing committees on a policy framework, process, and timetable to report comprehensive legislation to repeal the SGR and transition to value-based payments, followed by

Step 2: Early 2013: authorizing committees would hold hearings, consult with physician membership groups and other stakeholders, and report legislation, no later than June 30, 2013, consistent with the policy directions required by step 1 and summarized in more detail in ACP's letter.

Step 3: No later than September 30, 2013, Congress enacts comprehensive payment and delivery system reform legislation, based on the bill(s) reported out of the authorizing committees in step 2, to achieve full SGR repeal and to establish a framework of positive incentives for physicians to transition to value-based payment models.

"We urge you to reach agreement on legislation to: prevent the across-the-board sequestration cuts in critically important health programs," Dr. Bronson concluded, "and especially, the nearly 30 percent Medicare [payment](#) cut to physicians; establish a pathway and timetable to eliminate the SGR and create positive incentives for physicians to transition to value-based payments; preserve programs to improve Medicaid and [Medicare](#) payments for primary care and GME funding to addressing the growing shortage of primary care physicians and in many other specialties, and to achieve savings in health care spending by addressing the real drivers of excess cost."

Provided by American College of Physicians

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