

Debt ceiling agreement 'essential' to prevent disruption of care for Medicare & Medicaid patients

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"A debt ceiling agreement must be reached in time to avert an unprecedented suspension of funding for the millions of patients who rely on Medicare, Medicaid and other federal health programs," Virginia Hood, MBBS, MPH, FACP, president of the American College of Physicians (ACP) told the president, vice president and Congressional leaders today. "I am writing to share our views on enactment of legislation to increase the debt ceiling linked to an agreement on policies to reduce the federal budget deficit."

ACP represents 130,000 internal medicine physician specialists in primary and comprehensive care of adults and adolescents and medical student members. It is the largest physician specialty society and second-largest physician membership organization in the United States.

Dr. Hood's four-page letter offered four principles that ACP believes are critical to developing a credible plan that would have the support of physicians and their patients:

1. Congress and the administration must reach agreement on an increase in the debt ceiling in time to prevent any disruption for patients who depend on [Medicare](#) and Medicaid and for physicians and hospitals that provide services to them.
2. A credible and fiscally responsible debt-ceiling agreement should eliminate the Medicare SGR, instead of counting savings from cuts that Congress has no intention of allowing to go into effect.
3. Spending growth on Medicare and Medicaid must be reduced as part of a

broad agreement on the budget, but not by cutting funding for essential programs to improve access, quality and ensure a sufficient supply of physicians, especially [primary care physicians](#).

4. Instead, Congress and the administration should partner with physicians to support bold initiatives to address the real cost-drivers behind increased federal health care spending, including providing physicians and patients with information on the [comparative effectiveness](#) of different treatments, taking such research into consideration in making Medicare and Medicaid coverage decisions, reforming payment and delivery systems to align incentives with the value of care provided, and encouraging innovation at both the federal and state levels in delivery services to Medicaid patients while preserving the existing guarantee of coverage for all lower-income persons.

The letter noted that internal medicine specialists typically have 40 percent or more of their patients enrolled in the Medicare program. If an agreement to increase the debt ceiling isn't reached by August 2, the government would experience a cash shortfall of tens of billions of dollars, making it impossible to meet its many obligations, including reimbursing physicians for services provided to Medicare and Medicaid patients. "The government's cash flow shortfall would become a critical cash flow shortfall for physician practices, causing some of them to lay off staff, limit how many Medicare and Medicaid patients they can see, or even go under and close their doors," Dr. Hood pointed out.

An agreement must also include a fiscally-

responsible solution to the Medicare Sustainable Growth Rate (SGR) formula to ensure beneficiaries' access to care. Last week, ACP joined more than 100 national and state physician membership organizations in signing a letter that noted that "a credible budget agreement cannot include a Medicare budget baseline that assumes draconian physician payment cuts of almost \$300 billion failure to enact a permanent solution to the SGR."

The College also called for a reduction in the rate of growth in federal spending on Medicare and Medicaid. "Medicare and Medicaid spending will need to be reduced as part of a fiscally-responsible agreement on the debt," Dr. Hood pointed out. "We are concerned, though, if a debt ceiling agreement would mandate cuts in programs that are clearly designed to improve access, quality, and ensure a sufficient physician workforce."

As an alternative to across-the-board cuts in essential health programs, ACP urged Congress and the administration to partner with physicians to support bold efforts to reduce per capita health care spending and promote innovation in payment and delivery systems. The letter recommended nine ways to address true "cost-drivers" that result in unsustainable health care spending by the federal government.

"Studies show that much of health care spending in the United States is on marginal or ineffective treatments that have no value to the patient," Dr. Hood said. "In addition, current payment and delivery systems create incentives for higher volume of services, rather than better value (better outcomes achieved efficiently) for patients."

"We stand ready to assist you in achieving such an historic agreement," Dr. Hood concluded.

Provided by American College of Physicians

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