



Posted: 2/9/10 –

Time is NOW for the SGR Fix; New Cost Figures Demonstrate Urgency

With only three weeks until a 21 percent Medicare payment cut for physicians takes effect, Senate congressional leaders now plan to include a three-month “patch” in their jobs-creation bill that would forestall any cuts until late spring. Democratic leaders’ goal is still to deal with the Medicare sustainable growth rate (SGR) issue in the context of health reform. MGMA and several other major medical groups are working together in a grassroots campaign targeting key senators who voted against a permanent solution to the SGR last year. New cost figures released by the Congressional Budget Office, show an imminent and significant jump in the SGR-repeal price tag and provide some urgency to medicine’s call for a permanent solution now. It would be unfortunate if Congress does not take advantage of the current, lower-cost repeal in the next few weeks.

A long-term SGR fix is not dead, as illustrated by Senate passage of pay-as-you-go (PAYGO) legislation that includes a partial exemption for the cost of repealing the SGR. But it will be difficult. The exemption means that \$82 billion of the cost of an SGR fix would not have to be offset by spending cuts or tax increases, therefore providing some options. The easiest step for policy makers would be a five-year fix with zero updates for physicians, followed by another cliff-like cut scheduled for 2016. This idea, however, is unacceptable to most medical specialties. We are calling on Congress to find the money to permanently fix the flawed payment formula. You can do your part by contacting your legislators directly or through the Ohio MGMA website <http://www.ohiomgma.com/writetocongress.html>.