



HEALTH SYSTEM REFORM BULLETIN

March 11, 2010

Here's your regular update on efforts by the American Medical Association (AMA) to work with lawmakers in reforming the nation's health care system in a way that provides quality, affordable health care for all.

Update on health system reform negotiations

As recent press reports have made clear, the situation in Washington with respect to both health system reform and Medicare physician payment reform remains very fluid.

The U.S. House of Representatives and the U.S. Senate are now negotiating changes to the Senate-passed health system reform bill that would address concerns House members have with that legislation. These efforts are complicated by the procedural restrictions that would apply to the budget reconciliation bill that Congress intends to use as a legislative vehicle for making those changes. One of the outstanding issues is the scope and authority of the proposed Independent Payment Advisory Board (IPAB), which would make recommendations to Congress for reducing the rate of growth in overall Medicare spending if total spending exceeds a new, program-wide expenditure target. This new target system is very stringent and does not apply equitably across Medicare provider groups. Further, the "fast-track" authority the bill would grant these recommendations would require a three-fifths vote in both chambers for Congress to overturn them. Given medicine's experience with Medicare's sustainable growth rate (SGR) formula, the [AMA has consistently voiced its opposition](#) (PDF) to this proposal as currently constructed and is aggressively lobbying for substantial changes in the IPAB provisions.

Once legislative language for the reconciliation bill containing refinements to the Senate health reform plan becomes available, the AMA will assess whether the changes being proposed are sufficient to address its outstanding concerns.

Third SGR extension passed by Senate



KEY DATES

March 18:

Goal date by President Obama for House passage of the Senate's health system reform bill

April 1:

A 21.3 percent reduction in Medicare physician payments is scheduled to take place

IMPORTANT LINKS

[AMA letter to Senate on permanent repeal of the Medicare payment formula](#) (PDF)

[Dr. Rohack letter to health care summit attendees](#) (PDF)

[AMA/specialty sign-on letter to President Obama regarding tort reform](#) (PDF)

[Joint AMA/AARP letter to Majority Leader Reid and Speaker Pelosi urging repeal of the SGR](#) (PDF)

[AMA letter to Congress regarding various issues in reform negotiations](#) (PDF)

[Dr. Rohack letter to Reid on a permanent solution to the Medicare physician payment system](#) (PDF)

[Dr. Rohack letter to President Obama and Congress on AMA's](#)

Throughout the health system reform debate, the AMA has stressed the urgency of repealing the SGR payment formula, which is now scheduled to impose a 21.3 percent reduction in Medicare physician payments on April 1. Last November, the House passed H.R. 3961 which would replace the SGR system with a new more favorable formula for Medicare physician updates. Earlier this year, Congress took another step toward clearing a pathway for Medicare payment reform by exempting a portion of its budgetary cost from new statutory pay-as-you-go rules, which require Congress to identify budget offsets for any laws that would increase federal spending.

On March 10, [the Senate passed H.R. 4213](#), a bill to extend certain tax policies and stimulate job growth, by a vote of 62-36. The bill includes provisions that would further extend current Medicare physician payment rates until Oct. 1. The legislation will now be sent to the House where amendments are possible. Consequently, it is not certain if this extension of Medicare payment rates can be signed into law before the current Medicare physician payment freeze expires on April 1.

The AMA has made it very clear that we do not support another routine, short-term patch to the Medicare payment formula that only addresses the immediate crisis while producing steeper cuts in the future and raising the costs of permanent reform. The AMA is continuing its vigorous advocacy for permanent repeal of the SGR formula, and encourages physicians to maintain pressure on their legislators by calling the AMA grassroots hotline at (800) 833-6354.

[eight elements of health system reform](#) (PDF)

[Summary comparison of H.R. 3590 to H.R. 3962 and AMA policy](#) (PDF)

[AMA Legislative Action Center](#)

[AMA Vision for Health System Reform](#)

[AMA Physicians' Grassroots Network and Patients' Action Network](#)

[Health Care for All Americans Web site](#)

[Health system reform articles from American Medical News](#)

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