



The “Un-Sustainable” Growth Rate Formula Talking Points

REQUEST FOR ACTION: Replace the sustainable growth rate formula in the 2010 Medicare Physician Fee Schedule with one that is tied to the Medicare Economic Index, which accurately reflects physician costs for providing care.

- Physicians face a minimum across-the-board cut of 21% in Medicare payments if nothing is done by April 1, 2010. This 21% cut will grow to about 40% in cumulative cuts by 2016 unless Congress acts soon to replace the outdated sustainable growth rate (SGR) formula and permanently reform Medicare’s physician payment system.
- Physicians are the ONLY provider group impacted by this formula. (Physicians vs. other providers graph; AMA)
- Persistent, looming cuts and low payments reduce access to care and keep physicians from participating in quality initiatives and purchasing health information technology.
- This formula is fatally flawed and cannot be fixed! It must be replaced by a formula that accurately reflects medical practice costs.
- The ACCP agrees that Congress must scrap the SGR and adopt the same approach for physician payment updates that is used for other Medicare providers. Under this approach, payments would reflect practice costs.
- These drastic Medicare physician pay cuts are impacting patient care. A MedPAC survey found that 22% of patients have problems accessing care and 27% report delays in getting appointments.
- Medicare reimbursement rates are tied to the entire health-care sector impacting private sector plans, Medicaid programs, and the TRICARE program that reimburse medical care for military active duty personnel, as well as military retirees.
- Medicare payments should cover the increasing cost of providing care so seniors can be assured of continued access to physician care.
- The above talking points are consistent with the American College of Chest Physicians Principles for Health System Reform.