

# MSSNY *BULLETIN*

## **CONGRESS FAILS TO ADDRESS 21% MEDICARE SGR CUT\_BUT ACTION PROMISED NEXT WEEK**

While several proposals have been advanced to prevent the scheduled 21% Medicare physician payment cut from going into effect on Monday, March 1, Congress failed to take final action this week. Yesterday, the House of Representative passed HR 4691, legislation that extends a number of expiring programs for 30 days, and would have prevented for 30 days the 21% cut. The Senate attempted unsuccessfully on several occasions last night and this morning to pass the same bill by unanimous consent, but objections were raised by Senator Jim Bunning (R-KY), on the basis that \$10 billion cost of the program extensions was not offset. The Senate has now adjourned for the weekend, so the 21% Medicare physician payment cut will be effective on Monday unless Congress takes action to retroactively prevent the cut.

The AMA has been informed by CMS that they are notifying their contractors to hold Medicare physician claims for 10 business days, effective Monday. The agency will also be sending out a similar message on its various "list-servs" this afternoon to physicians, and contractors will be instructed to disseminate this information as well.

In reaction, MSSNY President David Hannan, MD issued the following statement:

It is an outrage that Congress has put New Yorkers' access to health care in jeopardy by failing to take action to prevent an unsustainably severe 21% Medicare physician reimbursement cut. Regardless of which party or which individual Senators are to blame for the failure to enact legislation to prevent the cut from going into effect, the bottom line is that this draconian reduction will go into effect on Monday. At a time when physicians face so many other hurdles in their effort to keep a viable practice, including extraordinarily high medical liability insurance costs, ongoing difficulty in being reimbursed fairly by health insurance companies and the other significant costs in running a small business in New York State, many physician practices will simply be unable to sustain this cut, and this will seriously jeopardize access to needed care for many, many patients.

We appreciate the support given by Senators Schumer and Gillibrand, and Representatives Rangel, Engel and the many other members of New York Congressional delegation who have supported a permanent fix of the grossly flawed formula for determining Medicare reimbursement. It is this failed formula that triggers such staggering cuts, and it must be changed. Our elected leaders must now re-double their efforts to assure the enactment of this legislation which will prevent this and future cuts, and allow physicians to continue to treat Medicare patients. It is not only physicians who support eliminating this ridiculous methodology which regularly threatens access to care. Many other associations of beneficiaries who depend upon this care, including AARP and the Military Officers Association of America, are also demanding reform.

We call upon Congress to roll up its sleeves and take action immediately upon returning to Washington on Monday to assure that seniors access to care is not interrupted and that physicians are fairly paid for treating Medicare patients.

MSSNY has been advised by Senator Schumer's office that the Senate will be taking up legislation on Monday (HR 4213) that will prevent the 21% cut until October. It is not clear at this time what the ultimate outcome of this vote will be, nor its prospects in the House. Physicians are urged to call **1-800-833-6354** and urge that action be taken immediately to prevent this cut.