

House Eliminates 2010 Medicare Cuts to Doctors

In an attempt to maintain the support of the American Medical Association (AMA) for the Democratic health care reform legislation, the US House of Representatives just passed a stand-alone bill that would eliminate physician pay cuts. Before passage, physicians were scheduled to receive a 21.2 percent cut for care to Medicare patients in 2010. The Democratic-sponsored bill which had a 60 vote margin (243 to 183) also rewrites the controversial sustainable growth rate (SGR) formula in Medicare.

Federal law requires Medicare payments to physicians to be modified yearly using the SGR. Originally designed to control Medicare utilization by reducing physician fees, most physicians contend that flaws in the way the rates are calculated are the reason the formula has mandated fee cuts to them almost every year for the past ten years.

Only short-term congressional fixes have averted these cuts. In July 2008 it took Congress overriding President Bush's veto of House Resolution 6631, the Medicare Improvements for Patients and Providers Act of 2008 to stop a 10.6-percent cut.

At the same time that physician fees have steadily gone down, Medicare payments to hospitals have risen because they are tied to the Medicare Economic Index (MEI), which is Medicare's measure of the increasing costs of providing medical services. Payments to Medicare Advantage plans also have risen steadily.

<http://www.examiner.com/x-9303-Miami-Health-Care-Examiner~y2009m11d19-House-eliminates-2010-Medicare-cuts-to-doctors>

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