

Talking Points on Senate Failure to Pass H.R. 6331

Physicians are outraged by the Senate vote on June 26. Legislators have been assuring them for six months that they would never let the July 1st cut happen. They feel like Congress has let them down.

Physicians are also outraged by Senators who now say physicians themselves are engaging in partisan politics. By all accounts, there was broad, bipartisan consensus on providing an 18-month reprieve from the scheduled Medicare payment cuts. Agreements had also been reached on virtually all the other issues pertaining to physicians. Finally, the legislation considered on the Senate floor on June 26 had just passed the House with overwhelming bipartisan support.

Given the messages issued by the White House, statements made on the Senate floor, and conversations that have taken place between physicians and their Senators, it is difficult to escape the conclusion that a group of Senators placed a higher priority on protecting health insurance plans than they did on stopping the payment cuts. In truth, the only Medicare Advantage payment cuts included in H.R. 6331 affected duplicate payments for graduate medical education that policy leaders broadly agree ought to be eliminated. The other Medicare Advantage policy changes are better viewed as reforms and certainly should not be viewed as cuts. (See separate Myth and Fact sheet.)

Important points for Senators to keep in mind:

- These cuts are not just about physicians. They really will have an impact on patient care. Given the track record of payment updates over the past eight years, margins in physician offices are very small—too small to absorb another cut of nearly 11%. Many physicians are simply going to have to start turning away Medicare patients. In addition, these cuts affect thousands of other, non-physician health professionals who provide services to patients.
- The problem is even worse in many rural states, since the “floor” on geographic adjustments made to a portion of Medicare physician payments is also expiring on July 1. These states will experience additional payment cuts of between 1 and 3 percent.
- These cuts are not just about Medicare, either. Payments under TRICARE, which covers health care services for retired and active duty military personnel and their families, are tied directly to Medicare payment rates. So, access to care for these military service families is also being threatened. Some state Medicaid programs also tie their payment rates directly to Medicare.

Some Senators say that physicians should support passage of a 30-day stop-gap pay freeze bill when Congress returns after the 4th of July recess. Right now, it is hard to imagine what can be accomplished by August 1 that could not have been accomplished in the six months leading up to July 1. Congress has to return to Washington after the recess prepared to address this problem once and for all. It is time to make health care for seniors, the disabled and military families a real priority in Washington.

Physicians are encouraged to use the AMA Advocacy Hotline to call their Senators at 800-833-6354.

