

Medicare crisis halted, for now

Deeply flawed physician payment formula still needs to be replaced

Physicians who care for Medicare patients will see payments restored to 2005 levels—halting a 4.4 percent cut that took effect Jan. 1—after an aggressive AMA campaign showed how the cut threatened seniors' access to doctors.

"This congressional action stops this year's Medicare physician payment cut, but reimbursements still fall short of the cost of providing care to seniors," said AMA President J. Edward Hill, MD, said. "With six years of cuts still scheduled to come as practice costs continue to rise—we fear more physicians will make difficult practice decisions about treating Medicare patients."

At the request of the AMA and other physician groups, the Centers for Medicare and Medicaid Services (CMS) has agreed to retroactively adjust claims to compensate physicians for the 4.4 percent cut once the one-year freeze, passed Feb. 1, is signed into law. The claims adjustment process likely will take several weeks and physicians do not have to resubmit claims. In addition, CMS has re-opened the 45-day period in which physicians may change their 2006 Medicare participation status. Changes will be retroactive to Jan. 1 and claims will be adjusted to reflect the change in status. This situation has produced a number of questions from physicians about

billing. Visit www.ama-assn.org to view answers to some questions.

Still, Congress has yet to replace the flawed formula with an annual update that reflects practice cost increases. The AMA will

The survey also showed disastrous consequences the cuts could have had on physicians' time spent with Medicare patients, and their ability to invest in information technology and updated equipment.

generated a wealth of coverage, which was augmented by radio spots and full-page newspaper ads, as well as ads in influential inside-the-beltway publications in Washington, D.C. Opinion pieces by AMA physicians and editorials in favor of stopping the cuts landed on the pages of newspapers nationwide.

AMA leaders testified about the urgency of the issue at House and Senate hearings throughout last year. Meanwhile, the AMA turned up the heat on Congress through its grassroots networks. In total, patients and physicians contacted Congress more than 600,000 times to urge a payment update.

The fight to stop the cuts—by the numbers

600,000: Grassroots contacts to Congress

5: Congressional hearings

44.6 million: Public reached through news coverage

64: TV news segments

17: Newspaper op-eds by AMA physicians

9: Newspaper editorials supporting AMA position

9: AMA National House Call visits

312: Radio stations broadcasting AMA ads

redouble its efforts on behalf of a long-term solution in 2006. The campaign will expand to further educate lawmakers about the significant advances physicians are making in quality improvement and performance measurement initiatives.

Physicians stood together

When last year's AMA Member Connect® Survey found that a 2006 cut alone would force 38 percent of physicians to accept fewer new Medicare patients, lawmakers and the public took notice.

The AMA shared publicly what its members said: These cuts threaten access to care for the country's aging population. By mid-May, House and Senate legislation to prevent the cuts was introduced at the AMA's urging. Working with state and local medical society partners, the AMA took the issue on the road with the National House Call program to speak with seniors groups and the news media about the looming crisis. The House Calls through Arizona, Florida, Iowa, Michigan, Ohio, Pennsylvania, Tennessee and Texas

The battle continues; Head to D.C.

Replacement of the Medicare physician payment formula with one that reflects annual practice cost increases will be a key topic at the **AMA National Advocacy Conference** on March 13-15 in Washington, D.C. All physicians and medical students are encouraged to attend, and get in-depth training on policy issues and on communicating effectively with lawmakers and the media. Participants will visit Capitol Hill to lobby their members of Congress and legislative staffs.

Visit www.ama-assn.org/go/nac to learn more and register.



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Medicare crisis averted, for now

Medicare physician payments restored to 2005 levels, but Congress still needs to enact permanent fix

See inside for details.

Full-court press

AMA Board Chair Duane M. Cady, MD, and other medical leaders testified last November to the House Energy and Commerce Health Subcommittee about the need to prevent a patient access crisis in Medicare. Congress on Feb. 1 voted to halt a 4.4 percent Medicare physician payment cut that took effect in January.