

CQ HEALTHBEAT NEWS  
Oct. 16, 2012 - 1:13 p.m.

## Physician Groups Release Principles for Replacing Flawed Medicare Payment Formula

By Rebecca Adams, CQ HealthBeat Associate Editor

Congress should come up with an alternative to the current physician payment formula that meets principles such as rewarding doctors for incrementally improving the system rather than penalizing them if they don't respond to "abrupt changes in care delivery," the American Medical Association and its affiliates said in a letter to the Senate Finance Committee leaders.

The letter, sent Monday, was signed by the AMA as well as more than 100 affiliated groups and supporting organizations. It provides a list of principles that the associations hope lawmakers will consider when creating a transitional payment system that would replace the current sustainable growth rate (SGR) formula, which Congress routinely changes on a year-by-year basis.

This year, physicians are again facing the prospect of deep cuts. If Congress doesn't stave it off through a "doc fix," a 27 percent Medicare payment reduction will take effect on Jan. 1, 2013.

"Each year, patient access to care is eroded because the threat of steep physician payment cuts and last-minute congressional action to avoid these cuts create an environment where new Medicare patients have difficulty securing physician appointments," said the letter, which was sent to Committee Chairman [Max Baucus](#), D-Mont., and ranking Republican [Orrin G. Hatch](#) of Utah. "Congress must stop this vicious cycle now so that a transitional framework can be put in place that will provide some stability and predictability for seniors and physicians."

- From CQ Hot Docs: [AMA Letter](#) (pdf)

*Rebecca Adams can be reached at [radams@cq.com](mailto:radams@cq.com).*

Source: **CQ Online News**

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