

Below is an advocacy message from the AMA on the inaction of Congress to address the Medicare SGR payment crisis.

Debate in Congress has raged over the last few weeks concerning Medicare's flawed sustainable growth rate (SGR) formula and what must be done to prevent the 27.4 percent physician payment cut, still scheduled to take effect on January 1.

Unfortunately, efforts have now stalled as we head into the holidays and the status of the critical SGR issue remains in limbo.

The following legislative update will help give you the lay of the land on Capitol Hill as we head into the holidays and prepare to re-double our efforts in January to stop the SGR from threatening physicians' practices and the patients they care for.

Votes on H.R. 3630. As originally passed by the House on December 13 by a vote of 234-193, the legislation would have provided Medicare physician payment updates of 1 percent a year for two years, followed by a return to the current negative trend line produced by the sustainable growth rate (SGR) formula. But, due to disagreements over financial offsets and other policy issues unrelated to the SGR, the legislation could not attract a sufficient number of votes to pass the Senate.

On December 17, the Senate voted 89-10 to pass an amended version of the bill that would extend all the expiring policies, including current Medicare physician payment rates, for two months. The rationale for the short-term extension was to avoid disruptions on January 1 and provide time for further negotiations on financing longer-term extensions.

House action on December 20. Following the Senate's action, a significant number of House Republicans expressed strong opposition to the two-month extension, and several relevant votes were scheduled for December 20. Most important of these, the House approved a resolution by a vote of 229-193 to disagree with the Senate and appoint members to a House-Senate conference committee, which would be charged with working out differences between the two versions of the bill.

Prior to the House vote that day, the Senate leadership announced that the Senate would not reconvene over the holidays to engage in further negotiations and votes. In addition, members of the House departed for the holidays, after being informed that they could be called back to Washington on short notice. **At this time, it does not appear likely that the outstanding issues will be resolved before January 1.**

Outlook for January. On December 19, the Centers for Medicare and Medicaid Services announced that it would hold claims for 2012 physician services for 10 business days, until January 17, to avoid processing payments at the lower rate. After that date claims will be processed on a first in, first paid basis at the reduced rates until the situation is resolved.

The House is currently scheduled to return to Washington on January 17, while the Senate is scheduled to return on January 23. However, there are reports that the House, at least, may move up the date of its return to January 3 or possibly earlier.

The American Medical Association (AMA) issued a strong statement following the House and Senate votes reaffirming its opposition to any short-term patches to the SGR formula, denouncing the political brinkmanship that left the issue unresolved until Congress was adjourning, and calling for a bipartisan effort to repeal the flawed and disruptive formula once and for all. To view

the AMA's statement [click here](#).

Throughout the year, the AMA has been pursuing a strategy for repealing the SGR that was developed in consultation with state medical societies and national medical specialty societies. We continued to oppose short-term remedies that serve to make future cuts deeper and the cost of permanent payment reform increasingly steep. And, throughout the year, bicameral and bipartisan support has been expressed in Congress for permanently addressing the Medicare physician payment crisis. Nonetheless, physicians and their patients once again find themselves confronting uncertainty and instability. It is long past time for Congress to act decisively and protect access to care for senior citizens and military families that rely on TRICARE -- they and their physicians deserve better.

Stay tuned for additional updates from the Physicians' Grassroots Network and remember you can always use our toll-free grassroots hotline at 1-800-833-6354 to keep up the pressure on lawmakers to end the SGR nightmare once and for all!