

## House Passes Medicare Physician Payment Reform Act of 2009

Written by Mike Honda

---

This week, the House passed legislation to permanently reform the way Medicare pays physicians. [H.R.3961, the Medicare Physician Payment Reform Act of 2009](#) will repeal a 21 percent fee reduction scheduled for January 2010 and replace it with a stable system that ends the cycle of threats of ever-larger fee cuts followed by short-term patches. Permanent reform of physician payments in Medicare will guarantee that Medicare beneficiaries continue to enjoy the excellent access to care that they do today. It will also follow the President's lead by ending a budget gimmick that artificially reduces the deficit by assuming physician payments will be cut by 40 percent over the next several years even though Congress has consistently intervened to prevent those cuts from occurring.

By fixing this system in a responsible way, we are ensuring that our seniors have reliable access to their doctors and the primary care they need. This bill tackles seniors' main concern – preventing pay cuts that could encourage doctors to stop seeing Medicare patients. It builds on the historic health insurance reform bill the House passed earlier this month, which will lower premiums, extend the solvency of Medicare by five years, improve preventive and primary care for seniors, and close the “donut hole” gap in prescription drug coverage.

H.R. 3961 is supported by a wide range of organizations representing patients, doctors and other providers, including the American Medical Association, AARP, the Military Officers Association of America, the American Academy of Family Physicians, the American College of Physicians, the American College of Surgeons, the Center for Medicare Advocacy, the Medicare Rights Center, and the National Committee to Preserve Social Security and Medicare.

Permanent physician payment reform:

- Preserves seniors' access to their doctors with a guaranteed update in 2010 by replacing the pending 21 percent fee cut with an update for 2010 based on the Medicare economic index while a new payment system is being put in place.
- Keeps doctors' pay steady through fairer growth targets, which are achieved by wiping away accumulated deficits from current spending targets to provide for a fresh start, but still holds physicians accountable for spending growth. Excludes items not paid under the Medicare physician fee schedule such as chemotherapy drugs and laboratory services from revised growth targets.
- Promotes primary care that can keep you healthier longer by providing an extra growth allowance for primary care services to promote access to primary care practitioners in Medicare and throughout the health care system.
- Encourages integrated care so your doctors communicate on your care through

## House Passes Medicare Physician Payment Reform Act of 2009

Written by Mike Honda

---

Accountable Care Organizations, which incentivize physicians to take responsibility for improving quality and reducing costs. Accountable Care Organizations may “opt out” of the national spending targets and establish their own organization-specific targets.