

Media Statement

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California's Largest Physician Group Organization Urges Congress to Reject Excessive Cuts in Medicare Rates and Solve Payment Dilemma

SACRAMENTO, CA – In anticipation of an upcoming Congressional vote which might prevent a 21 percent cut in Medicare physician fees, Donald Crane, President and CEO of the California Association of Physician Groups (CAPG) sent a letter to California's Congressional members urging them to prevent the cut and find a permanent solution to the payment formula.

"As the nation's largest professional association of Accountable Care Organizations, the California Association of Physician Groups urges Congress to reject a planned 21 percent cut in Medicare physician fees. If Congress fails to act, the very core of the Medicare system will be destabilized, impacting both physicians and their Medicare patients, at a time when roughly 25 percent of beneficiaries struggle to find a physician.

"The original intent of the sustainable growth rate (SGR) was to rein in the growth of Medicare costs, but the unforeseen result has been a steady decrease in reimbursements physicians are paid for the care they provide to America's seniors. If healthcare providers are burdened with a 21 percent cut, many will be forced to discontinue services to Medicare patient's altogether. At a time when our senior population is soaring something must be done to ensure that physicians are reasonably compensated for the critical services they provide.

"Each year Congress fails to address the underlying causes, the cost to fix the problem grows even larger; the cost of future fixes and the size of future cuts explode. If Congress had resolved this problem in 2005, when physicians faced a cut of about 3.3 percent, the cost of permanent reform would have been \$49 billion. Now, Medicare physicians face a 21 percent cut for the remainder of 2010 and the price tag of SGR reform has ballooned to \$210 billion.

"Another short-term fix is unavoidable if access to physician care is to be maintained for millions of Medicare beneficiaries. In no uncertain terms, this short term fix is no solution to the real problem. Absent a real solution, the SGR problem will dramatically limit the ability of physicians to see new Medicare patients, and will jeopardize their ability to continue to care for their existing Medicare patients.

"It's absolutely critical that Congress address this challenge now, and prevent the 21 percent rate cut. Work must then begin to solve the problem permanently. Without a real solution, trust in the stability of the Medicare program, for physicians and beneficiaries alike, is at risk. "

About CAPG

The California Association of Physician Groups (CAPG) represents groups that employ or contract with nearly 60,000 California doctors and provide care to 15 million Californians. CAPG is committed to improving health care for Californians and supports a progressive and organized system of health care delivery which focuses on coordinated treatment plans and comprehensive coverage, including the most current preventive services and exams. This allows physicians to focus on illness prevention and proactive management of patients in order to maintain their optimum level of health. www.capg.org.

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