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Specialty Doctors Criticize President's Proposal on IPAB

More Cuts to Doctors Will Hurt Access for Seniors

FOR IMMEDIATE RELEASE
APRIL 13, 2011

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Washington, DC – Today the Alliance of Specialty Medicine offered words of caution for President Obama after the unveiling of his new deficit reduction proposal included plans for an expansion of the Medicare Independent Payment Advisory Board or IPAB.

“The President’s proposal to expand IPAB only furthers the largest problem facing Medicare patients, and that is access to physicians,” said Alex Valadka, a neurosurgeon from Austin, TX and spokesperson for the Alliance. “Doctors cannot continue to ably treat Medicare patients if they are constantly wondering whether or not the money will be there to reimburse them.”

As part of the healthcare reform law, the IPAB is responsible for making recommendations on Medicare payment policies. When Medicare growth exceeds the given target, then the IPAB must put forth a proposal to reduce Medicare spending without causing a reduction in patient benefits. This effectively means IPAB’s focus will be on reductions to physician reimbursements. The IPAB proposal is then sent to Congress under unprecedented fast track procedures, where it would automatically become law unless the Senate blocked it by a 60-vote super-majority.

The President’s proposal today purports to “strengthen” IPAB through various tools and mechanisms including reducing Medicare’s target growth by GDP per capita plus 0.5% as well as giving IPAB the ability to automatically sequester Medicare spending. The proposal released today also did not speak to the political deals, which occurred during passage of the health reform bill, exempting hospitals, hospices and various other Medicare providers from IPAB’s reach.

If these carve outs are left unaddressed, that means the entities responsible for two-thirds of Medicare spending are exempt from payment cuts until 2019. The end result of this will mean a further reduction in the already below market reimbursement rates for physicians who treat Medicare and Tricare patients and make up less than 10 percent of total Medicare expenditures. The Bipartisan Deficit Commission’s report, released last December, called for an end to these carve-outs.

In addition to the belief that the IPAB cuts will focus disproportionately on physician reimbursements, the Alliance also has reservations about the current construction of the IPAB, which lacks the expertise of a single practicing physician, or the same level of accountability offered by Congressional action. The Alliance believes such sweeping and important changes in the health care delivery system need to be enacted by an affirmative vote of Congress.

(More)

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“If the President and Congress want to address Medicare spending seriously, then they should get in the game and work with the entire physician community to do so,” said Valadka. “The IPAB will direct billions in Medicare cuts and Congress will let those cuts become law by default. I don’t think that fits anyone’s definition of accountability.”

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