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Medical
Association
of Georgia

Building a Better State of Health Since 1849

JUNE 30, 2008

MAG LEADERS URGE U.S. SENATORS TO FIND MEDICARE SOLUTION TO SUPPORT PHYSICIANS, PATIENTS IN SUNDAY CONFERENCE CALL

I wanted to provide you with an update on the critical issue of Medicare payments and the steps that your MAG leaders are taking to protect the interests of physicians and patients in Georgia – highlighted by a conference call with our U.S. Senators yesterday morning.

The American Medical Association (AMA) says that the Bush administration has frozen for up to 10 days the current Medicare payment reduction that's scheduled to go into effect tomorrow. Because Congress failed to pass legislation to prevent the Medicare payment cuts, Medicare carriers are scheduled to apply a 10.6 percent cut on all services starting July 1. By law, claims are not paid for 14 days after receipt. Assuming a legislative resolution takes place; Department of Health and Human Services Secretary Mike Leavitt said that he hopes to pay physicians on a retroactive basis.

Even if Congress takes immediate action, Medicare carriers will likely need some time to adjust their systems to change the rates back to the pre-July 1 levels. If this occurs, the AMA says that it will advocate that CMS automatically adjust physician payments and not require claims to be resubmitted. AMA is also encouraging physicians to pay especially close attention to any messages that they receive from their Medicare carriers related to claims processing and payment rates.

MAG's Executive Committee initiated a conference call with U.S. Sen. Saxby Chambliss and U.S. Sen. Johnny Isakson yesterday, June 29, to discuss its dismay with their failure to support legislation (H.R. 6331) that would have forestalled the July 1 Medicare payment cut and/or introduce a better long-term solution.

We made the following points to Sen. Chambliss and Sen. Isakson...

- It's not clear the health care system can survive a 10 to 15 percent reduction in Medicare payment cuts over the next two years.
- The Medicare payment formula has been flawed for years, and our congressional leaders have promised a comprehensive legislative fix for years.
- Physicians are simply not keeping pace with medical inflation and will not be able to participate in the Medicare program as a practical matter.
- H.R. 6331, by Congressman Charles Rangel (D-NY), the *Medicare Improvements to Patients and Providers Act*, would eliminate the reduction in Medicare payments for six months, freezing payments for the balance of 2008 and providing a 1.1 percent increase in fee schedule levels for 2009. H.R. 6331 also reduces payments to and modifies the structure of privately-run Medicare

Advantage fee-for-service (FFS) plans that have shown significant growth in recent years. **The Medical Association of Georgia has formally endorsed H.R. 6331. This is the only legislative solution currently available for Medicare payments.**

- The Republican Caucus in the U.S. Senate has shown reluctance to support legislation that would modify Medicare Advantage. However, MAG Executive Committee members advised our senators that while designed to produce a savings, Medicare Advantage has in fact resulted in a 13 percent cost *increase* versus the traditional Medicare system. Medicare Advantage has effectively raised premiums for all Medicare patients. And Medicare Advantage covers a relatively small segment of the total Medicare population (i.e., less than 20 percent).
- The U.S. House of Representatives passed H.R. 6331 on June 24 by a vote of 355 to 59, including 129 Republicans. The only members of the Georgia Delegation who voted against H.R. 3661 were Rep. Lynn Westmoreland (Congressional District 3), Rep. John Linder (Congressional District 7), and Rep. Paul Broun (Congressional District 10). Rep. Jack Kingston (Congressional District 1), Rep. Tom Price (Congressional District 6), Rep. Nathan Deal (Congressional District 9) and Rep. Phil Gingrey (Congressional District 11) all crossed party lines to support H.R. 6331, physicians and Medicare patients.
- The U.S. Senate (including both Georgia Senators) failed to vote for “passage of cloture” (i.e., formal consideration) for H.R. 6331 late last week. This is *an indication* of opposition to the bill.

H.R. 6331 will reportedly be reconsidered as soon as next Monday, July 7. I am asking every physician in the State of Georgia to **CALL SEN. CHAMBLISS AND SEN. ISAKSON USING AMA’S GRASSROOTS HOTLINE AT 800.833.6354 AND URGE THEM TO SUPPORT H.R. 6331 WHEN THE SENATE RECONVENES FOLLOWING THE JULY 4 RECESS.** Tell them that we must have a Medicare payments solution so we can provide our patients with timely access to the health care and the peace of mind they deserve.

MAG will continue to provide you with timely and relevant updates on the Medicare payments issue.

You can also visit AMA’s Web site at www.ama-assn.org for additional information.

It is essential that physicians speak with one voice.

Sincerely,



Jack M. Chapman Jr., M.D.
President, Medical Association of Georgia