

## Medicare SGR Talking Points

Pass legislation that:

- 1) blocks the 10.6% automatic cut scheduled to take effect on July 1, 2008
  - 2) provides an 18 month positive physician payment update that covers practice cost increases
  - 3) lays the groundwork for the permanent replacement of the flawed Medicare SGR formula.
- MedPAC reports that 30% of Medicare patients have trouble finding a new primary care physician
  - The SGR formula has kept average physician pay rates the same as they were in 2001 while practice costs have risen 20% since then. Physicians can't invest in health IT to support quality improvement efforts.
  - In an AMA survey of almost 9,000 physicians, more than half said they could not meet their current payroll with a 10% Medicare pay cut and would be forced to reduce their staff.
  - The flawed SGR formula punishes endocrinologists who provide preventive health services, and who manage diabetes and other chronic conditions to reduce costly and life threatening complications.
  - The SGR formula is tied to the Gross Domestic Product (GDP), which bears no relationship to health care needs or physician practice costs. The formula does not adjust for new Medicare benefits and coverage policies. Omitting the costs of such treatments from the SGR targets increases the likelihood of pay cuts. The SGR formula doesn't adjust for new Medicare spending due to advances in patient care or technology.

## MEDICARE QUALITY IMPROVEMENT

The American Association of Clinical Endocrinologists (AACE)...ask if they have heard of AACE. If not, explain what AACE is.

- AACE is an active participant in the AMA Physician Consortium for Performance Improvement and was specifically involved in the development of quality measures related to diabetes, hypertension and osteoporosis. CMS uses many of the quality measures developed by the Consortium measures in the Physician Quality Reporting Initiative (PQRI).