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MedPAC to Congress: Repeal SGR, Cut Specialty Physician Payments

Reports today indicate that the Medicare Payment Advisory Commission, or MedPAC, has officially endorsed repeal of the SGR formula in its recommendation to Congress. The independent Congressional agency, which advises Congress on issues affecting federal Medicare revenue, voted to replace the SGR with a formula that would cut specialty physician payments while preserving primary care physician rates for 10 years. Under MedPAC's recommendation, specialty physician rates (including emergency physicians) will be cut by 5.9% each year for three years, followed by a seven year rate freeze. Primary care physician rates would be frozen for the entire 10 year plan.

The commission's proposal must still pass a Congressional vote to become effective, and while MedPAC's recommendations are influential on Congressional voting, the proposal will likely be factored into Congress' decision on the Super Committee's proposal to cut federal spending by \$1.2 to \$1.5 trillion over the coming decade. Congress must vote on the Super Committee's recommendation by November 23, 2011.

Updates on this topic will be provided as soon as more information becomes available.

If you have questions about this topic, please contact Jay Packer, Director of Contracting, Compliance and Legal Services at 562.809.3521 or jpacker@marinabilling.com.