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Delay on Medicare Reimbursements

ARLINGTON, Va. (Feb. 17, 2012) — Today the House has passed overwhelmingly legislation (H.R. 3630) to maintain Medicare payment rates for doctors as part of a plan that also continues unemployment benefits and extends a reduction in the payroll tax until the end of the year. The Senate is expected to vote shortly and will likely approve the legislation. This legislation will prevent a 27 percent cut in Medicare reimbursement to physicians.

“APA members certainly appreciate congressional action to postpone a huge cut in Medicare physician payments through the end of 2012, but we are also mindful that another temporary postponement is no substitute for permanently fixing the SGR itself. Every year that congress puts off repealing the SGR just adds to the final cost. We are also deeply concerned that the ‘doc fix’ is paid for by cutting bad debt and disproportionate share payments to those hospitals that are caring for the nation’s indigent patients,” said Medical Director and CEO James H. Scully, Jr., M.D.

Current Medicare payments to doctors would be paid by cutting Medicare reimbursements to hospitals and reducing by half an \$8 billion program for a prevention and public health fund established in the new health care law. Offsets to fund the continued Medicare payment rates include:

- \$6.9 billion from reimbursing hospitals, nursing facilities, FQHCs, and dialysis centers that incur debt from treating beneficiaries who do not or who are unable to pay their share of services.
- \$2.7 billion from clinical laboratory service payments
- \$4.1 billion from Medicaid DSH allotments
- \$2.5 billion from eliminating the ACA Medicaid funding to Louisiana
- \$5 billion from the Prevention and Public Health Fund

APA and other medical organizations continue to work with members of Congress to eliminate such repeated short-term fixes and replace them with a permanent system to fairly reimburse physicians, including psychiatrists, for their services under Medicare.

The American Psychiatric Association is a national medical specialty society whose physician members specialize in the diagnosis, treatment, prevention and research of mental illnesses, including substance use disorders. Visit the APA at www.psych.org and www.HealthyMinds.org.