

# Groups Denounce New Medicare Pay Proposal

BY FRANCES CORREA

FROM A MEETING OF THE MEDICARE PAYMENT ADVISORY COMMISSION

WASHINGTON – To avoid a nearly 30% physician pay cut Jan. 1, Congress should instead adopt a 10-year plan that freezes primary care pay and cuts specialist pay by 5.9% 3 years in a row. That's according to a proposal presented by staffers on Sept. 15 at the meeting.

While such a solution is expensive – with a \$200 billion price tag – it reduces the estimated cost of replacing the current Sustainable Growth Rate (SGR) formula by \$100 billion, according to the MedPAC staff presentation.

In formulating their proposal, MedPAC staffers sought to address four key concerns:

- ▶ To cut the link between Medicare fee schedule updates and cumulative spending called for by the SGR.
- ▶ To replace the SGR with a predictable 10-year system of fee updates.
- ▶ To halt the nearly 30% pay cut Jan. 1.
- ▶ To balance the cost of reform with maintaining access to care.

The proposal would result in a 2% annual increase in federal spending per Medicare beneficiary, but is budget neutral based on a number of possible savings identified. For example, the proposal outlines \$235 billion in possible savings from pharmaceuticals (\$75 billion), post-acute care (\$49 billion), beneficiaries (\$33 billion), hospitals (\$26 billion), labs (\$21 billion), Medicare Advantage (\$12 billion), and durable medical equipment (\$14 billion).

While specialists bear more of the costs, they also rely on a higher percentage of Medicare patients and will likely benefit from the expected steady increase in beneficiaries in the market, according to the proposal.

Response to the proposal was swift and vehement.

Like many specialty organizations, the

American Academy of Neurology came out against the plan. AAN president Dr. Bruce Sigsbee said the cut to specialty medicine could be “disabling for many practices.” Dr. Sigsbee said neurologists have already been struggling since they were not included in the 10% bonus awarded to primary care physicians under the new health law.

“Congress needs to find a way to more fairly recognize the training, skill, and experience of providing care to patients with chronic neurological disease,” Dr. Sigsbee said in an interview. “Any [debt] solution needs to be visionary and fix systematic problems within Medicare. The MedPAC proposal does not.” Dr. Alex Valadka, a neurosurgeon from Austin, Tex., had a similar response.

“This proposal simply devalues the expertise and critical care that specialists provide to Medicare patients and will further restrict access to care for them,” said Dr. Valadka, spokesperson for the Alliance of Specialty Medicine, in a statement.

“There comes a point where if you keep cutting specialists’ reimbursements, we can’t maintain our practice, keep our doors open, and employ staff,” Dr. Valadka added.

AMA president Dr. Peter Carmel said in a statement that “The new cuts are inconsistent with MedPAC’s previous recommendations to stop cuts to physicians who care for Medicare patients, because they threaten access to care for patients and would have severe consequences for the Medicare system. Drastic cuts pose a very real risk to physicians’ ability to retain staff, care for Medicare patients, and make the investments needed to modernize their practices and participate in care delivery models intended to improve quality while reducing costs in the Medicare system.”

MedPAC commissioners will consider the report and finalize the commission’s recommendations at its October meeting. ■

## Clinical Neurology News

President, IMNG Alan J. Imhoff

Editor in Chief Mary Jo M. Dales

Executive Editors Denise Fulton, Kathy Scarbeck

Managing Editor Jeff Evans

Senior Editors Christina Chase, Kathryn DeMott, Lori Buckner Farmer, Catherine Hackett, Keith Haglund, Sally Koch Kubetin, Teresa Lassman, Mark S. Lesney, Jane Salodof MacNeil, Renée Matthews, Catherine Cooper Nellist, Amy Pfeiffer, Terry Rudd, Leanne Sullivan, Elizabeth Wood

Editorial Production Manager Carol Nicotera-Ward

Associate Editors Felicia Rosenblatt Black, Therese Borden, Lorinda Bullock, Jay C. Cherniak, Stephen Cimino, Richard Franki, Virginia Ingram-Wells, Jane Locastro, January W. Payne

Reporters *Chicago:* Patrice Wendling; *Denver:* Bruce Jancin; *Germany:* Jennie Smith; *Miami:* Damian McNamara; *Mid-Atlantic:* Michele G. Sullivan; *New England:* Diana Mahoney; *New York:* Mary Ellen Schneider; *Philadelphia:* Mitchel L. Zoler; *San Diego:* Doug Brunk; *San Francisco:* Sherry Boschert; *Washington:* Alicia Ault, Frances Correa, Elizabeth Mechatie, Naseem S. Miller, Heidi Splete, Miriam E. Tucker, Kerri Wachter

Multimedia Producer Nick Piegari

Contributing Writers Christine Kilgore, Mary Ann Moon

Multimedia Intern Luis Mazariegos

Project Manager Susan D. Hite

Assignments Manager Megan Evans

Editorial Offices 5635 Fishers Lane, Suite 6000, Rockville, MD 20852, 877-524-9334, clinicalneurologynews@elsevier.com

Address Changes Fax change of address (with old mailing label) to 973-290-8245 or e-mail change to subs@elsevier.com

Director of Information Technology Doug Sullivan  
Senior Systems Administrators Lee J. Unger  
Systems Administrator/Application Support Peter Ayinde

Accounts Payable Coordinator Daniela Silva

Executive Director, Operations Jim Chicca

Director, Production/Manufacturing Yvonne Evans Struss

Production Manager Judi Sheffer

Production Specialists Maria Aquino, Anthony Draper, Rebecca Slebodnik

Creative Director Louise A. Koenig

Design Supervisor Elizabeth Byrne Lobdell

Senior Designers Sarah L.G. Breden, Yenling Liu

Designer Lisa M. Marfiori

Photo Editor Catherine Harrell

Web Production Engineer Jon Li

Web Production Specialist Jennifer Calhoun

Sales Director, IMNG Mark E. Altier, 973-290-8220, m.altier@elsevier.com

National Account Manager Aaron Wattenberg 973-290-8212, fax 973-290-8250 a.wattenberg@elsevier.com

Advertising Offices

60 Columbia Rd., Bldg. B, 2<sup>nd</sup> fl., Morristown, NJ 07960, 973-290-8200, fax 973-290-8250

Classified Sales Manager, IMNG

Robert Zwick 973-290-8226, fax 973-290-8250, r.zwick@elsevier.com

Classified Advertising Manager

Andrea LaMonica, 800-381-0569, fax 914-381-0573, a.lamonica@elsevier.com

Classified Advertising Offices 1120 Jensen Ave., Mamaroneck, NY 10543

Reprints/Eprints

Contact Wright's Media 877-652-5295

Sr. Program Manager, Customized Programs Malika Wicks

Audience Development Manager Barbara Cavallaro, 973-290-8253, b.cavallaro@elsevier.com

Manager, Marketing and Research Jennifer Eckert

Business Controller Dennis Quirk

Adv. Services Manager Joan Friedman

Credit Supervisor Patricia H. Ramsey

Manager, Administration/Conventions Lynne Kalish

Editorial Assistant Linda Wilson

CLINICAL NEUROLOGY NEWS is an independent newspaper that provides the practicing specialist with timely and relevant news and commentary about clinical developments in the field and about the impact of health care policy on the specialty and the physician's practice.

The ideas and opinions expressed in CLINICAL NEUROLOGY NEWS do not necessarily reflect those of the Publisher. International Medical News Group, LLC, an Elsevier company, will not assume responsibility for damages, loss, or claims of any kind arising from or related to the information contained in this publication, including any claims related to the products, drugs, or services mentioned herein.

POSTMASTER Send changes of address (with old mailing label) to CLINICAL NEUROLOGY NEWS Circulation, 60 Columbia Rd., Bldg. B, 2<sup>nd</sup> fl., Morristown, NJ 07960.

CLINICAL NEUROLOGY NEWS (ISSN 1553-3212) is published 10 times per year by International Medical News Group, LLC, an Elsevier company, 60 Columbia Rd., Bldg. B, 2<sup>nd</sup> fl., Morristown, NJ 07960, 973-290-8200, fax 973-290-8250. Subscription price is \$114.00 per year.

©Copyright 2011, by Elsevier Inc.

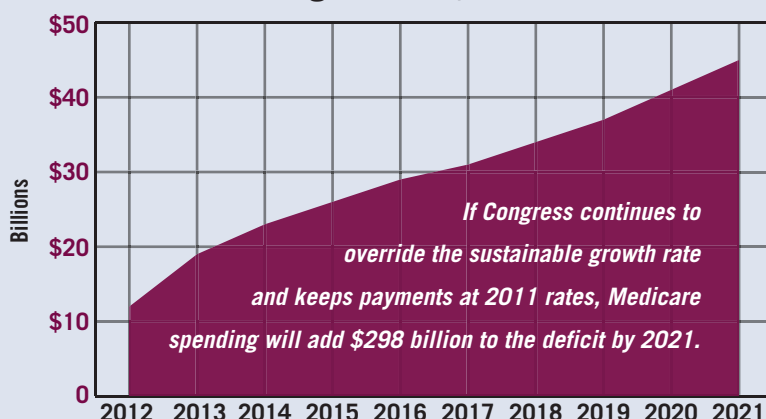


INTERNATIONAL MEDICAL NEWS GROUP



### VITAL SIGNS

#### Medicare's Possible Annual Contribution to the Federal Budget Deficit, 2012-2021



Note: Taken from “The Budget and Economic Outlook: An Update” (August 2011). Source: Congressional Budget Office

### EDITORIAL ADVISORY BOARD

RICHARD J. CASELLI, M.D., Mayo Clinic Arizona, MEDICAL EDITOR

STUART B. BLACK, M.D., Baylor University Medical Center, Dallas

JEFFREY R. BUCHHALTER, M.D., PH.D., Phoenix Children's Hospital

JONATHAN L. CARTER, M.D., Mayo Clinic Arizona

JOSEPH F. DRAZKOWSKI, M.D., Mayo Clinic Arizona

MARK HALLETT, M.D., National Institutes of Health, Bethesda, Md.

SUSANNA HORVATH, M.D., Columbia Presbyterian Hospital, New York

MATTHEW J. HUENTELMAN, PH.D., Translational Genomics Research Institute, Phoenix

IRENE LITVAN, M.D., University of California, San Diego

KATHERINE H. NOE, M.D., PH.D., Mayo Clinic Arizona

ALYX B. PORTER, M.D., Mayo Clinic Arizona

MARWAN N. SABBAGH, M.D., Banner Sun Health Research Institute, Sun City, Ariz.

BENN E. SMITH, M.D., Mayo Clinic Arizona

RICHARD S. ZIMMERMAN, M.D., Mayo Clinic Arizona