



Committee On Finance

Max Baucus, Chairman

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BAUCUS COMMENTS ON MEDPAC PHYSICIAN REIMBURSEMENT REPORT

Senator calls for reforming the Medicare physician reimbursement formula to benefit beneficiaries, doctors

Washington, DC –U.S. Senator Max Baucus (D-Mont.), Chairman of the Senate Finance Committee commented today on the need for Congress to reform the system used by Medicare to reimburse doctors for care to beneficiaries. His comments come after MedPAC, the independent federal body that advises Congress on issues affecting Medicare, released its report on that system today. The report outlines the possible avenues Congress could pursue to resolve problems with the Sustainable Growth Rate (SGR) reimbursement formula currently used. Baucus applauded some of the initiatives recommended by MedPAC that he has long supported, such as paying for quality of care rather than volume, and comparing the effectiveness of products and services to establish standards of care. He also called for more substantial reform to create a system that will reimburse doctors fairly and effectively.

“Medicare beneficiaries need good medical treatment, and paying doctors properly will help them get the care they need,” said Baucus. **“Our current way of paying doctors hasn’t really kept health costs down, or made care better or more efficient. The fact that MedPAC had a hard time determining the best way to move forward shows us just what a challenge reform will be. But they have presented some good ideas, a number of which I’ve already urged Congress to adopt, that will help get more bang for our buck when we pay Medicare docs. I plan to work together with my colleagues to start taking some of these steps.”**

The Deficit Reduction Act of 2005 charged MedPAC with examining the Sustainable Growth Rate formula and making a recommendation to Congress on how to fix the formula. The formula produced a cut in the Medicare rate of reimbursement to doctors in 2002 and would have done so every year since had Congress not intervened. In its report, MedPAC did not come to a consensus on one particular recommendation, but instead provided Congress with a number of options that may provide both short and long term solutions to the problems caused by the Sustainable Growth Rate formula.

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