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Doctors: We Gave at the Office, and Then Some

When Congress went looking for more cuts in 2011, we assumed there would be no more hits coming our way — we were wrong

By Alex Valadka
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As a physician who treats Medicare patients, the fiscal cliff is all too familiar territory. Living under the current Medicare reimbursement system, known as the Sustainable Growth Rate, the viability of my practice is under threat.

At least once a year, I am taken to a precipice known as the SGR cliff, which mandates that reimbursement rates are reduced by significant levels unless Congress steps in with its “doc fix” and staves off the cut. This year is no different. The SGR rate will be cut by nearly 27 percent on Jan. 1 unless Congress acts.

This threatened cut, coupled with rate reductions and penalties already codified under the 2010 health care law and sequestration amount to a systematic targeting of Medicare doctors to pay for deficit reduction.

To be clear, our SGR cliff is not merely an annual exercise. In 2010, we faced no less than five cliffs, sometimes going over, then fixed retroactively after a few weeks of panic and confusion among us and our patients.

If this weren't enough, the grand promise made to physicians to fix the SGR in the 2010 law actually worsened the situation by once again targeting reimbursement rates and adding reporting and electronic health record mandates. For good measure, the law created the Independent Payment Advisory Board as a means to further reduce reimbursements.

So when Congress went looking for more cuts during the 2011 budget debate, I assumed there would be no more hits coming my way. I was wrong.

The failure of the supercommittee to reach a deal put physicians in line for an additional 2 percent annual cut for the next 10 years in the sequester. Of all the cuts and penalties put on the Medicare provider community, this one is particularly troublesome, given that the ink had barely dried on the law overhauling our industry. But the president and Congress had no qualms in coming back for more.

What is the net effect of these unstable reimbursements, mandated payments and looming cuts? For more and more physicians, these multiple and repeated cliffs give us no choice but to limit the number of Medicare patients we see. Like it or not, this is rationing of care.

For many industry sectors, not knowing how Congress will act on funding by the end of the year is a new experience for them. News stories have described how companies in the defense sector are pre-emptively laying off employees and subcontractors. Other industries are holding back on investment decisions or expansion opportunities until definitive decisions on taxing and spending are made.

For the physician community, the stakes are just as great. Our patients will always need us, and with the Medicare population growing by a rate of 10,000 per day, the system needs more doctors, not fewer. Making it more difficult for Medicare patients to find care is the wrong direction to go in looking for solutions to the fiscal cliff.

The theme of shared sacrifice is one that is repeated by Congress and the president when debating means to solve our deficit problems. There isn't a physician out there who would disagree with that theme. Our only hope is that these policymakers keep in mind that the Medicare provider community will already be absorbing a \$415 billion hit over the next decade. We have already made our shared sacrifice. Its time to move the target off the physician community's back and allow us to treat our patients.

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