



Position Paper

H.R.1470 - SGR Repeal and Medicare Provider Payment Modernization Act of 2015

Issue: This legislation seeks to permanently replace the formula for reimbursing doctors who treat Medicare and TRICARE patients.

Background: In 1997, Congress passed a law that tied Medicare and TRICARE physician reimbursement rates to economic growth. However, health care costs rapidly rose faster than the economy which meant that reimbursement rates were below the cost of services provided. In each year since 1997, Congress has passed “doc fixes”, temporary measures that take money from other portions of the Federal budget and reallocate them in order to reimburse physicians. Without these temporary fixes, many physicians who treat Medicare and TRICARE patients would opt out of these services.

H.R. 1470 would provide a permanent solution for the reimbursement of Medicare & TRICARE physicians by requiring wealthier beneficiaries to pay higher premiums. Individuals with incomes of between \$133,501 and \$160,000 would pay 65% of premium costs, up from 50% now. For couples, the new percentage applies for incomes between \$267,001 and \$320,000. For individuals making more than \$160,000 annually, and for couples with incomes of \$320,000 or above, new premiums would go from 65% now to 80%. The higher premiums would take effect in 2018.

CBO estimates the cost of the “doc fix” to be \$210 billion over the next ten years due to compromises within the bill such as extending health-care funds for children and low-income Americans but it is expected to provide savings over the course of the following ten years resulting from the long term savings to be gained as a result of the higher premiums.

Failure to adequately address this lingering budgetary issue would mean that physicians treating TRICARE and Medicare beneficiaries would no longer receive full reimbursement for the services they provide and would likely cause many to opt out of treating these beneficiaries, making access to care extremely limited.

AMRA Position: AMRA supports H.R. 1470 and a permanent solution to the current temporary “doc fixes” that are economically unsustainable and that could limit access to quality doctors for TRICARE beneficiaries.