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### THE SENATE MUST PASS S. 1776 THE “MEDICARE PHYSICIANS FAIRNESS ACT”

#### Summary

S. 1776 was introduced by Senator Debbie Stabenow (D-MI) on October 13, 2009. The bill would repeal the sustainable growth rate (SGR) formula that is currently used to establish annual Medicare physician payment updates. Future updates would be set at zero—as a placeholder--and to provide a foundation for creating a new payment formula.

#### Talking Points

S. 1776 resets the budget baseline that is the primary obstacle to Medicare physician payment reform. The debt that has accumulated in the SGR system because of the temporary solutions used in the past would be eliminated, consistent with the President’s budget. It is a necessary first step toward implementing a new system.

Additional payment policy will be included as part of health system reform or other legislation. However, in order to create a new payment system, S. 1776 must be enacted. Without providing a realistic baseline, payment reform is not possible.

Payment cuts that are in store under current law simply cannot be tolerated by the Medicare program. Physicians will be forced to stop seeing Medicare patients, who are already worried about the stability of the program.

- In a poll the AMA conducted last June, 70% of likely voters said they believe Medicare’s reimbursement system needs a permanent solution.
- In a survey of people 50 years of age and older that AARP conducted in September, 87% said it is important for doctors to be reimbursed adequately so they can continue to accept patients on Medicare.

Experience has shown that the budget gimmicks used in the past to provide temporary relief from Medicare cuts only raise the cost of implementing a permanent solution.

# HEALTH SYSTEM REFORM

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## Legislative Timeline

Three votes are expected that will require the support of at least 60 Senators:

- A cloture vote to allow formal consideration of the bill to proceed is expected to occur late Monday afternoon, October 19.
- A vote on final passage is expected to occur on Thursday (October 22) or Friday (October 23).
- A vote to waive the Budget Act to allow the bill to pass without offsetting spending cuts or revenue increases will take place sometime in between.