



May 25, 2011

House of Representatives
Ways and Means Health Subcommittee Committee

The American Chiropractic Association (ACA) is a professional society composed of doctors of chiropractic (DC) whose goal is to promote the highest standards of ethics and essential patient care, contributing to the health and well being of millions of patients. On behalf of the ACA, thank you for recognizing the importance of the Medicare reimbursement issue and for holding a hearing to gather stakeholder input on the Sustainable Growth Rate (SGR) formula. We appreciate the opportunity to comment on the SGR formula and the effort to explore new ways to operate the Medicare reimbursement system.

As was noted by Subcommittee Chairman Wally Herger, “the SGR system creates tremendous uncertainty year after year for physicians and Medicare beneficiaries alike.” For doctors of chiropractic who are already hamstrung by restrictive, anti-competitive Medicare coverage policies, facing annual periods of uncertainty regarding Medicare reimbursement rates pushes many to consider whether their practice can be financially viable if they continue to serve Medicare beneficiaries. Having to choose whether it is financially possible to continue treating America’s seniors is not an acceptable position for any doctor to be put in, yet this has been the reality for the past several years.

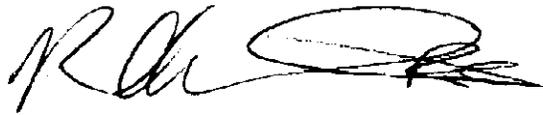
The ACA believes the SGR formula in its current state should be eliminated. The targets used in the formula, such as the Gross Domestic Product (GDP), have no relationship to physician services. As the costs of operating healthcare clinics are continuing to increase each year, we believe that the Medicare reimbursement formula should reflect these increases. The inaccurate SGR formula must be replaced and a long term solution is needed to appropriately compensate healthcare providers.

Although there is much agreement that the current Medicare reimbursement system is flawed, there is much less agreement regarding how best to fund a revision to the SGR formula for the long term. It is doubtful that we will solve this problem before the end of 2011. However, America’s physicians deserve some semblance of Medicare reimbursement stability in the near future. As such, we recommend that a period of Medicare payment stability be put into place beginning in 2012 and last through 2017. During this five year period of stability, Congress can gather more information from stakeholders to develop a new Medicare reimbursement system. Along with the period of payment stability, we believe that physicians should receive small increases in reimbursement with each passing year. These increases would be reflective of the increasing costs of patient treatment.

When exploring new payment models and how to best fund the SGR fix, we believe Congress should continue to consider quality measurement and the impacts of increased care coordination. The

focus on patient satisfaction that is at work in the value based purchasing program for hospitals should also be considered when developing a new approach to Medicare reimbursement. If CMS is truly looking towards moving to a reimbursement system that focuses on quality, the voice of the patient is instrumental in communicating healthcare service value. Additionally, it is critical that Congress consider how new payment models will impact the solo-practice healthcare provider. New payment models should not be adopted if they cause a regulatory burden so onerous that they are unable to be implemented by the solo-practice healthcare provider or providers who work with limited staff support.

Thank you for providing the opportunity for the ACA to comment on this very important issue. We look forward to reviewing future Congressional plans to address the Medicare fee schedule.

A handwritten signature in black ink, appearing to read 'Rick McMichael', with a large, stylized flourish at the end.

Rick McMichael, DC
ACA President

The previous statement is attributed to Rick McMichael, DC of the American Chiropractic Association.

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Title of Hearing: Reforming Medicare Physician Payments