

Medicare Physician Payment Summary

The current Medicare physician payment system, especially the sustainable growth rate (SGR), is characterized by instability, inequity and a failure to account for the actual cost of providing medical care.

This marks the tenth consecutive year that physicians face dramatic reductions in their Medicare payments. In fact, physicians participating in the Medicare will have their Medicare payments cut 29.5 percent in 2012, unless Congress intervenes.

Physician payments have remained static since 2001, while practice costs have increased over 20 percent. Furthermore, the structure of the current system emphasizes volume over quality and impedes the development of strong, continuous physician-patient relationships. It is clear that these policies have a compounding impact upon physicians, discouraging participation in the Medicare program and threatening access to care for our nation's seniors. **The sustainable growth rate (SGR) methodology should be repealed and replaced with a payment system that eliminates fragmentation in care delivery, encourages greater coordination of care, promotes quality, and reflects increases in physicians' practice costs.**