



For Immediate Release
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BAUCUS, GRASSLEY PRAISE PASSAGE OF FULLY-PAID-FOR BILL TO REVERSE DOCTOR PAYMENT CUT

*Senate Unanimously Passes Bipartisan Bill to Preserve Access to Doctors, Reverse 21 Percent Payment
Cut through November*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Chuck Grassley (R-Iowa) today applauded unanimous Senate passage of fully-paid-for legislation to reverse a 21 percent payment cut for doctors in Medicare and TRICARE and update the flawed physician payment formula through November 30, 2010. The Centers for Medicare and Medicaid Services (CMS) began to implement the payment cut today. This legislation reverses that payment cut and provides a retroactive update to ensure seniors and military families will continue to have access to their doctors.

“America’s seniors built this country and our military men and women put their lives on the line every day to protect our way of life. We have a responsibility to ensure our seniors and military families, in Montana and across the country, have access to their doctors,” Baucus said. **“This bill will ensure doctors continue to get the payments they need to care for America’s seniors and military families, and I thank my colleagues on both sides of the aisle for standing with us today to ensure America’s seniors and service members can continue to see the doctors they know and trust.”**

“This legislation reverses a payment cut that is jeopardizing access to physician services for Medicare beneficiaries and military families,” Grassley said. **“It’s important that the House follow suit so there’s no disruption in services for anyone.”**

The 21 percent payment cut, which is a result of flaws in Medicare’s physician payment formula, the Sustainable Growth Rate (SGR) formula, took effect June 1. CMS placed a temporary hold on the processing of Medicare reimbursement claims to delay implementing the reduced doctor payments. Unfortunately, the agency was forced to begin processing Medicare claims with the 21 percent payment cut today in order to reimburse doctors’ offices for their services.

Baucus and Grassley worked with their colleagues on both sides of the aisle to pass today’s legislation by unanimous consent and reverse this payment cut retroactively so seniors and military families will continue to have access to their doctors through Medicare and TRICARE. The bill will now go to the House of Representatives for consideration.

Legislative text of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act, which passed the Senate today, is available on the Finance Committee Website at:
<http://finance.senate.gov/legislation/details/?id=bed977dc-5056-a032-520f-49d7b04df18f>.

A summary of the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act follows below.

Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010
Summary of Provisions
June 18, 2010

Six Month Extension of Medicare Physician Payment Update - Medicare physician payment rates are scheduled to be reduced by more than 21 percent in June. This provision would reverse that reduction and provide a 2.2 percent update to physician payment rates through November 30, 2010. *This provision is estimated to cost approximately \$6.4 billion over 10 years.*

Pension Funding Relief – This provision provides temporary, targeted funding relief for single employer and multiemployer pension plans that suffered significant losses in asset value due to the steep market slide in 2008. Employers that elect the relief would be required to make additional contributions to the plan if they pay compensation to any employee in excess of \$1 million, pay extraordinary dividends, or engage in extraordinary stock buybacks during the first part of the relief period. Additional relief is available to certain plans sponsored by charitable organizations. *This proposal is estimated to raise approximately \$2.102 billion over ten years.*

Clarification of 3-day payment window - Under current law, all outpatient services provided within three days before an inpatient admission and related to the inpatient admission are included in the bundled payment for that admission. The bill closes a loophole that had allowed the unbundling of services and submission of adjustment claims seeking separate and additional Medicare payments. *This provision is expected to save \$4.2 billion over 10 years and reduce excess spending.*

Establish a CMS-IRS data match to identify fraudulent providers - Under current law, CMS and IRS are not authorized to exchange information for the purposes of fighting Medicare fraud and screening potential new providers. This provision helps identify potentially fraudulent providers sooner by authorizing CMS to collaborate with the IRS to determine whether providers applying to enroll or re-enroll in Medicare have failed to file Federal tax returns or have delinquent tax debts. The data match would target certain high-risk provider types in high-vulnerability areas. *This provision is estimated to save approximately \$400 million over 10 years.*

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