



**POSITION STATEMENT OF
MONTANA MEDICAL ASSOCIATION
ON
SUSTAINABLE GROWTH RATE (SGR)**

Montana physicians urge steps be taken to ensure Montana seniors have ongoing access to health care.

The Montana Medical Association (MMA) believes it to be critically important that the recommendations of the Joint Select Committee on Deficit Reduction include a full repeal of the flawed payment formula, the Medicare Sustainable Growth Rate (SGR). Only with such a permanent fix can ongoing access to health care for our seniors be appropriately addressed and new payment models be adopted that align payment policies to improve efficiency, quality of care, and care coordination.

Further, the MMA holds the position that the Frontier Amendment be maintained as it allows frontier states to address the unique challenges in serving patients in rural areas. The repeal of this adjusted Medicare reimbursement for Frontier states would weaken the Medicare program for Montana's senior citizens by reinstating an unfair reimbursement policy. The additional revenue has helped facilities to ensure continued access to affordable, quality medical treatment by affording them the chance to take steps to mitigate provider shortages and upgrade medical technology.

MMA takes the above position due to concerns that the ongoing access to health care for our seniors is seriously threatened. Compared to the rest of the country, Montana, at 17 percent, has an above average proportion of Medicare patients. At just 14 practicing physicians per 1,000 Medicare beneficiaries, Montana is well below the national average. The current SGR formula calls for cuts of 29.5% on January 1, 2012 for physician services. Short-term interventions have prevented harmful cuts in the past, but can no longer be the answer. The temporary patches have not kept up with the growth in physician practice costs, have created instability in physician practices and places seniors' access to care in jeopardy. Further, the cost of permanent payment reform escalates with the continued delays. It is estimated that additional short-term interventions will double the cost to approximately \$600 billion by 2016.

The MMA strongly urges the Joint Select Committee on Deficit Reduction to include a provision to permanently reform the Medicare physician payment system. In addition, the MMA is not in support of the repeal of the Frontier Amendment.