



## Health Care Reform Interim Committee

September 6, 2012

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Chairman Keiser and committee members, I'm Courtney Koebele and I serve the North Dakota Medical Association as executive director. On behalf of NDMA, I appreciate the opportunity to provide information to the committee on the Affordable Care Act.

One of the most controversial provisions of the Patient Protection and Affordable Care Act was the establishment of an Independent Payment Advisory Board (IPAB). The Patient Protection and Affordable Care Act established a 15-member Independent Payment Advisory Board (IPAB) to extend Medicare solvency and reduce spending growth through use of a spending target system and fast track legislative approval process.

By law, IPAB is not allowed to ration health care, raise revenues or Medicare beneficiary premiums, increase Medicare beneficiary cost-sharing (including deductibles, coinsurance, and copayments), or otherwise restrict benefits or modify eligibility criteria. IPAB also cannot reduce reimbursement to Medicare Part A (hospitals and nursing homes) until after 2020. When IPAB is asked to reduce Medicare costs without reducing benefits, increasing premiums, or making reimbursement cuts to hospitals or nursing homes, it seems the only option left will be to cut physician reimbursement. Unless Congress provides for an equal amount of cuts elsewhere in the budget, or vetoes the IPAB plan with a supermajority (60 votes in the Senate), IPAB's recommendations will become law.

Cutting reimbursement to physicians will lead to fewer physicians accepting Medicare patients, and thus decreased access to health care.

NDMA is opposed to the IPAB on several grounds. The IPAB puts important health care payment and policy decisions in the hands of an independent body that has far too little accountability. Major changes in the Medicare program should be decided by elected officials. We have already seen first-hand the ill effects of the flawed sustainable growth rate (SGR) physician target and the steep Medicare cuts that Congress has had to scramble each year to avoid, along with the significantly increasing price tag of a long-term SGR solution. Adding additional formulaic cuts through IPAB is not rational policy and would be detrimental to patient care, especially as millions of baby boomers enter Medicare.

The IPAB would be a small, unaccountable board with the power to make sweeping decisions in the Medicare program, including instituting automatic across-the-board spending cuts. The Medicare program is already grappling with a broken physician payment formula that schedules drastic cuts and threatens access to care for patients. At a time when Congress is struggling to eliminate this existing problem, it is illogical to add another entity that would threaten patients' access to care even more.

Mr. Chairman, thank you for the opportunity to provide our perspective. NDMA will continue to work with the committee and the Legislative Assembly to work for broad access to health care for North Dakotans.