

Rep. Joseph R. Pitts
Opening Statement
Full Committee Markup
“H.R. 452, the Medicare Decisions Accountability Act of 2011” and two FCC
bills
March 5, 2012

(As Prepared for Delivery)

I'll limit my remarks to H.R. 452, the Medicare Decisions Accountability Act of 2011, which repeals the Independent Payment Advisory Board (IPAB) from the President's health care law.

The purpose of IPAB is to reduce Medicare's per capita growth rate. Clearly, Medicare growth is on an out-of-control trajectory that endangers the solvency and continued existence of the program.

IPAB, however, is not the solution.

Fifteen unelected bureaucrats, nominated by the President and confirmed by the Senate, will be paid \$165,300 a year to serve six year terms on the Board.

If Medicare growth goes over an arbitrary target, the Board is required to submit a proposal to Congress that would reduce Medicare's growth rate.

These recommendations will automatically go into effect unless Congress passes legislation that would achieve the same amount of savings.

The Board has the power to make binding decisions about Medicare policy, with no requirement for public comment prior to issuing their recommendations, and individuals and providers will have no recourse against the Board, as its decisions are not subject to appeal or judicial review.

This is hardly a model of transparency and accountability.

To be perfectly clear, the Affordable Care Act prohibits IPAB from changing Medicare eligibility requirements, from cutting Medicare benefits, and from increasing premiums or copayments on beneficiaries. They are also prohibited from “rationing” care (a term not defined in federal law).

So, what is the problem?

If IPAB can't make cuts in any of the areas I just mentioned, one of the only places left to cut from are provider reimbursements.

Medicare already reimburses below the cost of providing services, and we are already seeing doctors refusing to take new Medicare patients – or Medicare patients at all – because they cannot afford to absorb the losses.

According to an American Medical Association survey, current reimbursement rates have already led 17 percent of all doctors, including 31 percent of primary care physicians, to restrict the number of Medicare patients in their practices.

Any additional provider cuts will lead to fewer Medicare providers, and that means that beneficiary access will suffer.

Seniors will be forced to wait in longer and longer lines to be seen by an ever shrinking pool of providers, or have to travel longer and longer distances to find a provider willing to see them.

Even HHS Secretary Sebelius admitted that IPAB cuts could hurt seniors.

Asked in a 2011 House hearing if IPAB-ordered payment reductions could mean longer waits for dialysis services, Sebelius replied:

“As you know, any cut in services ... could mean huge reductions in care that seniors would have the opportunity to receive.”

IPAB may not be able to directly ration care, but cutting provider reimbursements to the point that doctors can no longer see Medicare patients will result in de facto rationing.

I am proud that this bill has bipartisan cosponsors and was reported favorably out of the Health Subcommittee with support from both sides of the aisle.

We need to put Medicare on a firm financial footing; IPAB is not the way to do it. I urge my colleagues to support the bill.