Once again, the American Medical Association is calling on patients and doctors to barrage Congress with pleas to permanently end the Clinton-Gingrich Sustainable Growth Rate (SGR) formula for cutting Medicare costs.

The SGR threatens increasingly draconian cuts to physicians’ fees, which have been postponed by 16 last-minute “patches,” lest patients lose access to physicians who can no longer afford to care for them.

The [proposed “permanent fix](http://aapsonline.us1.list-manage.com/track/click?u=30a32513ae04f5445c95f3239&id=38715a436e&e=77a33378de),” however, threatens to permanently fix in cement the basically flawed assumption: that the government, not the patient, should determine the value of a service, states the Association of American Physicians and Surgeons (AAPS).

AAPS points out that even the [GOP Doctors Caucus](http://aapsonline.us1.list-manage.com/track/click?u=30a32513ae04f5445c95f3239&id=ed1bd90615&e=77a33378de) overlooks [major pitfalls](http://aapsonline.us1.list-manage1.com/track/click?u=30a32513ae04f5445c95f3239&id=8beec4a801&e=77a33378de) in the bipartisan proposal.

If the government sets the value too low, a service simply becomes unavailable. The government’s rigid system of price controls forbids patients to pay anything above the set fee.

The government’s fee structure creates a “playing field” that is far from level, AAPS notes. It pays much more for the same service if performed in a hospital as opposed to a physician’s office. It sets fees charged by “mid-level providers” at 85% to 100% of those physicians are permitted to charge, even though physicians have much higher overhead (including repayment of massive student debt). It pays more for doing “quality reporting” busywork than for spending quality time with patients.

“If the ban on balance billing were removed, patients would not necessarily spend more,” states AAPS executive director Jane Orient, M.D. The extra fee to a physician could be much less than the copayment to a hospital, she explains. The extra fee to a surgeon might save much grief as well as expense for fixing a job botched by a person with less training. The extra fee for one half-hour visit that addressed all the patient’s problems might be less than copayments for six rushed “one complaint per customer please” visits.

Fees that were out of line with value would be adjusted immediately, as patients would go elsewhere. “It wouldn’t take an AMA committee meeting or an act of Congress,” states Orient.

And more doctors would likely be drawn to patient-centered primary care if they could earn a living, she added. “If doctors were getting rich as many believe, why would they be closing their offices?”

The proposed tiny yearly “updates” (0.5%) for 5 years are even less than the inadequate Social Security cost-of-living increases. The cost of a postage stamp, for example, increased by 6.5% in January.

“How can the AMA possibly agree to a virtual 5-year fee freeze when the value of the dollar could deteriorate drastically?” Orient asks.

AAPS argues that Medicare can calculate reimbursements however it likes, but the fee should properly be determined only by mutual agreement of patient and physician.

The Association of American Physicians and Surgeons (AAPS) is a national organization representing physicians in all specialties, founded in 1943 to preserve private medicine and the patient-physician relationship.