ATS Joins other Groups in Opposing 2% Medicare Cut

The American Thoracic Society and 124 other medical societies urged lawmakers in a letter yesterday to spare physicians a 2% reduction in Medicare payments. The cut, mandated by Medicare's sustainable growth rate formula, will affect physicians, hospitals, and other providers, but leave enrollee benefits untouched. It is scheduled to take effect January 1, 2013, unless Congress acts to nullify it. This was discussed by Rep. Schweikert (SCHWEIKERT@mail.House.gov) during the August 8 Arizona Thoracic Society meeting.

Also released yesterday is a study commissioned by the American Hospital Association estimating that the 2% cut would cost 496,000 jobs in the next year including 9,863 jobs in Arizona and 3,349 in Mexico. This reduction would swell to 766,000 fewer jobs by 2021 including 15,234 in Arizona and 5,173 jobs in New Mexico. The report, produced by Tripp Umbach, a firm specializing in conducting economic impact studies, measures the anticipated effect of these cuts in Medicare payments on health care providers and other industries. Approximately 43% of those lost jobs would reflect the direct effects of sequestration on the healthcare industry. The remaining job losses would stem from indirect and "induced" effects as healthcare organizations reduce their purchases of goods and services from other industries.

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