

## NEWS BREAK

February 26, 2010

### Congress Failed to Stop the 21% Medicare Cut

Yesterday, the House passed HR 4691, legislation that extends a number of expiring programs for 30 days, including current Medicare physician payment rates, which would once again postpone the 21% cut that was scheduled to take effect this year.

The Senate attempted unsuccessfully on several occasions last night and this morning to pass the same bill by unanimous consent, but objections were raised by Senator Jim Bunning (R-KY), on the basis that \$10 billion cost of the program extensions was not offset. The Senate has now adjourned for the weekend, so the 21% Medicare physician payment cut will be effective on Monday, March 1.

We have been informed by the Centers for Medicare and Medicaid Services (CMS) that they are notifying their contractors to hold Medicare physician claims for 10 business days, effective Monday. The agency will also be sending out a similar message on its various list serves this afternoon to physicians, and contractors will be instructed to disseminate this information as well.

CMA is sending a delegation to Washington, DC, next week to express our outrage at these cuts. We need your help to support these efforts.

Here's what you can do right now to help us stop the cuts as quickly as possible and to let Congress know that their mismanagement of this issue is unacceptable.

#### **ACT NOW TO HELP STOP MEDICARE CUTS**

- Call your Senator and Members of Congress IMMEDIATELY to let them know the impact these cuts will have on your practice. Tell your Representative:

*The Medicare Sustainable Growth Rate formula (SGR) **must be repealed once and for all** or Congress will permanently compromise seniors' access to care;*

*Congress had more than a year to repeal the Medicare payment formula and ensure the security and stability of the program. Instead, **it has abandoned patients who rely on Medicare and TRICARE** for their health care.*

Use the AMA Grassroots Hotline to contact your Senators and Representatives: 800-833-6354.

If the AMA hotline is busy, you can find contact information for California Senators [Boxer](#) and [Feinstein](#) at <http://www.senate.gov>. Contact information for your Representatives is available at <https://writerep.house.gov>.

- Send CMA your personal stories about how the Medicare cuts will impact your practice and how your offices will handle the cuts. If you have already made changes because of the uncertainty in the system, this information would be helpful. We'll share the stories with Members of Congress and the press to highlight the impact of these cuts on real physicians and the seniors and military families they care for.

E-mail your stories to CMA at: [memberservice@cmanet.org](mailto:memberservice@cmanet.org)

If you have any questions, you can call the CMA member help line: **800-786-4CMA (4262)**.

- Get your patients involved. CMA has created a flier for you to hand to your patients to enlist them in our efforts to protect Medicare. You can download the flier here: [http://www.cmanet.org/healthreform/patient\\_flyer\\_medicare.pdf](http://www.cmanet.org/healthreform/patient_flyer_medicare.pdf) or you can contact MMCMS at 209-723-2976 or [chrisym@pacbell.net](mailto:chrisym@pacbell.net) for hard copies of the flyer.

## FREE Webinar-"Documentation - Medi-Cal Fraud and Abuse Series"

### **FREE to all MMCMS/CMA Members and their Staff!**

In this member's only webinar, Bruce Tarzy, MD, Medical Consultant with the Department of Health Care Services will describe the importance of documenting medical services provided to Medi-Cal recipients. And, impact of fraud and abuse to the Medi-Cal program.

**Title:** *Documentation - Medi-Cal Fraud and Abuse Series*

**Date:** Wednesday, March 3, 2010

**Time:** 12:15 PM - 1:15 PM PST

Reserve your Webinar seat now at: <http://www.cmanet.org/calendar/>

**Contact MMCMS for your CMA ID number (if you do not know it) prior to registration.**

After your registration has been approved, you will receive a confirmation email containing information about joining the Webinar.

### **System Requirements**

PC-based attendees

Required: Windows® 2000, XP Home, XP Pro, 2003 Server, Vista

Macintosh®-based attendees

Required: Mac OS® X 10.4 (Tiger®) or newer

**PLEASE REMEMBER TO CHECK FOR UPCOMING WEBINARS PERIODICALLY AT**  
<http://www.cmanet.org/calendar/>

# CMA Applauds Attorney General Probe, Says Insurers Must Be Held Accountable

*CMA News Release, February 25, 2010*

**Sacramento** – The California Medical Association praised Attorney General Jerry Brown for subpoenaing the financial records of the state’s seven largest insurers and investigating if they are illegally exercising market power and inappropriately denying claims, raising premiums or inaccurately rating doctors.

“California’s top five insurers control 86 percent of the state’s private health care market,” said Brennan Cassidy, MD, president of CMA. “They use that power to force higher premiums on their policy holders, deny patients needed treatment, underpay providers and boost their profits at the expense of Californians.”

Brown made the announcement the day after congressional investigators reported that Anthem Blue Cross, which proposed rates increases of up to 39 percent for some of its 800,000 California policy holders, provided its executives with lavish salaries and benefits. Anthem Blue Cross has sent \$4.2 billion in profit to its parent company, WellPoint, Inc., since 2004, according to the Los Angeles Times.

A congressional subcommittee on Wednesday grilled WellPoint Chief Executive Officer Angela Braly about executive pay, including her own salary of \$1.1 million and stock compensation valued at \$8.5 million last year.

Company documents obtained by congressional investigators showed the company paid 39 company executives \$1 million or more in 2008 and spent more than \$27 million for 103 executive retreats in 2007 and 2008.

Insurers’ pursuit of profit and dominating market power has led to widespread misconduct that has resulted in numerous investigations, state violations and record-breaking fines. One standard industry tactic to boost the bottom line is to cancel coverage for patients once they become seriously ill and their medical bills mount. A congressional investigation in June 2009 found that three insurers used rescissions to cancel more than 20,000 policies over five years, saving the companies \$300 million in claims.

In addition, Ingenix, a unit of United Health Group that operates in California, participated in a price-fixing scheme that relied on an obscure database to set artificially low reimbursement rates for out-of-network medical care. New York Attorney General Andrew Cuomo concluded that Ingenix data is intentionally manipulated to allow health plans to scam physicians by shortchanging reimbursements on medical bills.

“Californians have a right to know if insurers’ market power and pursuit of profit is pricing them out of health care insurance and denying them necessary medical care,” Cassidy said. “We look forward to seeing the attorney general’s findings.”

