



AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

June 13, 2011

The Honorable Joe Pitts
Chairman, Subcommittee on Health
Committee on Energy & Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am writing on behalf of the American Psychological Association to express our support for H.R. 452, a bill to repeal the Independent Payment Advisory Board. We are pleased that your Subcommittee will hold a hearing on the legislation tomorrow.

This board would cap the growth of Medicare spending starting in 2015 by recommending changes in Medicare formulas or payment policies. The law exempts hospitals from cuts until FY 2020, and bars the Board from rationing health care, raising premiums, cost-shifting to beneficiaries or modifying eligibility criteria. Thus it is inevitable that a crushing burden will fall only on Medicare health professionals and drug manufacturers. We fear that this would put the small businesses run by doctors of psychology in even greater peril than they are now.

You need to know that psychologists have been battered by a series of reductions in Medicare reimbursement under the current system. Long-standing Part B law requires that any increases in payment for procedure codes be offset by cuts in other payment codes. Our doctors have suffered the greatest cut of any health professionals under the 2006 "Five Year Review" and again under the 2010 Medicare Economic Index "rebasing." In both instances the Center for Medicare and Medicaid Services chose to pay for improvements by cutting work values across the board. This places our profession in an untenable position.

It is clear that the present system gives higher reimbursements to providers who use technology that is ever-increasing in cost. Our members, who have low-overhead and thus low work values, are being penalized for their cost-effectiveness. If the Medicare outpatient mental health benefit is to continue to be a viable option for beneficiaries, the budget offset required by law must be changed.

The Medicare Decisions Accountability Act of 2011 repeals this 15 member board before its creation and leaves responsibility for setting Medicare policy with those elected to Congress. We support its passage and thank you for your concern.

Sincerely,



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