



**FOR IMMEDIATE RELEASE**

**July 1, 2009**

**AMA VICTORY: DRUGS OUT OF MEDICARE PHYSICIAN PAYMENT FORMULA**  
*White House Action Clears the Way to Permanent Physician Payment Reform*

Statement attributable to: J. James Rohack, M.D.  
AMA President

“The removal of physician-administered drugs from the broken Medicare physician payment formula is a major victory for America’s seniors and their physicians. The AMA has been calling for this action since 2002 so that Congress can afford to repeal the flawed Medicare physician payment formula. We are very pleased that the Obama administration agrees with the AMA that drugs do not belong in the physician payment formula.

“President Obama, HHS Secretary Sebelius and White House Health Reform Director DeParle clearly understand that fixing the Medicare payment formula once and for all is fundamental to comprehensive health reform.

“Our nation has a historic opportunity for health reform this year, and strengthening Medicare should be a cornerstone of this effort. Without congressional action, Medicare will impose a steep cut to physician payment rates in 2010. Physicians will not be able to continue to treat all seniors, let alone make quality improvements to their practices, if the cuts occur. Instead of yet another band-aid fix, today’s action paves the way for Congress to ensure stable payment rates that reflect increasing medical practice costs and preserve seniors’ access to care.”

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