



Joint Council of Allergy,
Asthma & Immunology



INDEPENDENT PAYMENT ADVISORY BOARD (IPAB)

ISSUE:

Repeal the Independent Payment Advisory Board (IPAB)

BACKGROUND:

The Independent Payment Advisory Board (IPAB) was established by the Patient Protection & Affordable Care Act (PPACA). Opponents of IPAB argue that the broad mandate delegated to the Board usurps the authority and responsibility of future Congresses to oversee and modify the Medicare program and turns this responsibility over to a group of unelected bureaucrats. Proponents of IPAB argue that the Board is necessary to force the types of change in Medicare provider payments and long-term Medicare spending that Congress has thus far been unable to adopt.

Technically, recommendations made by the IPAB to reduce Medicare spending are “advisory.” However, spending reductions recommended by IPAB will be implemented by the Secretary of Health & Human Services unless Congress acts to disapprove those recommendations. The process for Congressional disapproval of “recommendations” made by the Board will be so cumbersome and arcane that it is generally acknowledged that it will be almost impossible to prevent an IPAB “recommendation” from becoming law.

In order for Congress to disapprove of an IPAB recommendation, Congress must adopt an alternative that reduces Medicare spending by as much as or more than the original IPAB recommendation. Furthermore, any legislation to overturn an IPAB recommendation must be adopted under an expedited process and achieve a super majority in Congress.

Under the IPAB process, physicians and some other healthcare providers will disproportionately bear the brunt of proposals to cut or reduce Medicare spending prior to 2019 because the PPACA included provisions that exempted certain providers and suppliers (hospitals, home health agencies, skilled nursing facilities, etc.) from IPAB-related payment reductions.

We are very concerned that the magnitude of provider payments cuts necessary to meet the IPAB budget targets, combined with what some experts predict will be IPAB recommended sequester-like across the board cuts, will result in thousands of physicians being unable to provide care to Medicare patients. Reducing Medicare payments for services and products could cause doctors to restrict the number of Medicare patients they see or drop out of Medicare altogether.

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IPAB represents the ultimate abrogation of leadership on the part of the Congress and the President when it comes to Medicare policy. Federal elected officials will no longer be held accountable for their decisions because all controversial decisions will be blamed on IPAB – an unelected Board with the authority to make life and death decisions about the future of Medicare provider payments.

Surprisingly, the President's Fiscal Year 2014 Budget proposes to lower the target rate for action by the IPAB from GDP plus 1 percent to GDP plus 0.5 percent despite the fact that the President has yet to nominate anyone for the IPAB.

It is not clear how a Board that has yet to be appointed could be in a position to make informed decisions in 2014 about Medicare physician payments.

To date, five separate bills have been introduced in the House and Senate to either repeal or dramatically revise the Independent Payment Advisory Board. Nearly 200 House and Senate elected officials (Republicans and Democrats) have signed on as cosponsors of these bills.

→ REQUEST FOR SENATORS:

Repeal the IPAB and oppose the President's FY 2014 Budget proposal for IPAB. Co-sponsor, support and vote yes for legislation, S. 351, the Protecting Seniors' Access to Medicare Act of 2013 to repeal the IPAB.

→ REQUEST FOR REPRESENTATIVES:

Repeal the IPAB and oppose the President's FY 2014 Budget proposal for IPAB. Co-sponsor, support and vote yes for legislation, H.R. 351, the Protecting Seniors' Access to Medicare Act of 2013 to repeal the IPAB.

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