



Myth vs. Fact: IPAB and Medicare



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MYTH – IPAB will ration care and deny certain Medicare treatments.

FACT – IPAB is explicitly forbidden from rationing care.

IPAB is prohibited by law from recommending any policies that ration care or modify who is eligible for Medicare.

- According to the law, IPAB “shall not include any recommendation to ration health care, raise revenues or Medicare beneficiary premiums..., increase Medicare beneficiary cost sharing (including deductibles, coinsurance, and copayments), or otherwise restrict benefits or modify eligibility criteria.” [P.L. 111-152, accessed on 4/9/12]
- Politifact: “The IPAB is forbidden from submitting ‘any recommendation to ration health care,’ as Section 3403 of the health care law states.” In addition, “legally, the IPAB only has the power to suggest changes to Medicare...” [Politifact, 10/12/11]
- FactCheck.org: In response to Rep. Paul Ryan’s claim that IPAB is a “rationing board in charge of Medicare, FactCheck.org argued, “it’s wrong [for Rep. Paul Ryan] to say that the advisory board will ration care.” [FactCheck.org, 5/6/11]

MYTH – IPAB is a board of 15 unelected, unaccountable bureaucrats.

FACT – The Board will be comprised of doctors, consumers, and patient advocate experts.

IPAB will be composed of fifteen experts including doctors, consumers and patient advocates who will be recommended by congressional leaders and confirmed by the Senate.

- According to the law, the members “shall include individuals with national recognition for their expertise in health finance and economics, actuarial science, health facility management, health plans and integrated delivery systems, reimbursement of health facilities, allopathic and osteopathic physicians, and other providers of health services, and other related fields.” [P.L. 111-152, accessed on 4/9/12]

Politifact: Republican claims that IPAB “will make all the major health care decisions for over 300 million Americans” are “False.”

- In October 2011, Politifact fact-checked Michelle Bachmann’s claim that “the way that Obamacare runs, there’s a board called IPAB. It’s made up of 15 political appointees. These 15 political appointees



will make all the major health care decisions for over 300 million Americans.” Politifact concluded that according to the law, the board must include representatives of consumers and the elderly, and that the majority cannot be individuals directly involved with providing or managing care. “There is a board with 15 members, and most are appointed through a political process, though they must have expertise in health care. . . . We rate her statement False.” [Politifact, 10/12/11]

Americans trust IPAB more than private insurers to “reduce spending and keep the program sustainable.”

- Half of Americans surveyed said they would trust “an independent panel of full-time experts appointed by the president and confirmed by the Senate” to make proposals to reduce Medicare spending and keep the program sustainable, compared to 34% of individuals surveyed trusting private insurers for the same purposes. [KFF, 6/30/11]

Republicans supported independent payment advisory boards before they were against them.

- In 2009, Rep. Paul Ryan and Sen. Tom Coburn introduced the Patient Choice Act (PCA), which included a 15 member Forum for Quality and Effectiveness in Health Care that has been likened to “IPAB on steroids.” Unlike IPAB, “the bodies proposed in the PCA had more teeth, including provisions to allow for penalties for physicians who did not follow the guidelines, than does the Independent Payment Advisory Board (IPAB) that was passed as part of the Affordable Care Act.” [Think Progress, 5/13/11; Incidental Economist, 5/13/11]
- Senators Alexander, Burr, Chambliss, Graham, Inhofe, and Isakson co-sponsored the Senate companion to this legislation. [S.1099, 111th Congress]

IPAB builds upon existing doctor, consumer, and patient group efforts to reduce waste and strengthen our health care system.

- Health policy experts agree there are many ways to improve health care delivery systems, health outcomes, and improve cost efficiency – the Institute of Medicine estimated that \$765 billion can be saved without compromising health outcomes. One example is reducing health care-acquired infections, which generate an estimated \$28 billion to \$33 billion in excess health care costs each year. [Institute of Medicine, 2/24/11; HHS, accessed on 4/13/12]
- Nine medical specialty groups released a list of tests and procedures that patients often do not need, even though doctors routinely perform them. According to the doctors, “ordering these tests when they are not merited wastes money and can harm patients by exposing them to radiation and more unneeded medical procedures.” [Boston Globe, 4/4/12]
- A report released by Premier, a company advising hospitals on improving efficiency and safety, identified 16 different categories of hospital waste. “The report finds that an average hospital could reach annual savings of \$2.2 million for unnecessary lab tests; \$1.52 million for unnecessary diagnostic imaging; \$1.5 million for respiratory therapies; and \$1 million for blood utilization.” [Politico Pro, 4/4/12]



MYTH – IPAB will limit Congress’ ability to set Medicare policy.

FACT – Congress has the final say over Medicare policy and the power to accept or reject IPAB recommendations.

Congress has the power to accept or reject IPAB recommendations.

- The Center on Budget and Policy Priorities states, “If Congress wishes to, it can structure the Medicare program so that it meets the spending targets without having to call upon IPAB. According to current projections, actions that Congress has already taken in enacting the ACA will do precisely that for much of the coming decade. But even if the IPAB process is triggered, Congress can always substitute its own proposals for those that IPAB recommends.” [CBPP, 3/15/12]

MYTH – IPAB can operate in secret and accept unlimited donations.

FACT – IPAB will be transparent and board members will be subject to the same ethical standards as the President.

IPAB is held to the same ethics standards established in the Ethics in Government Act of 1978.

- Rep. Phil Gingrey falsely claimed that IPAB can operate in a different manner than other federal agencies. According to the law, “Appointed members of the Board shall be treated as officers in the executive branch for purposes of applying title I of the Ethics in Government Act of 1978 (Public Law 95-521).” [USA Today, 4/9/12; P.L. 111-152, accessed on 4/9/12]

