

# INDEPENDENT PAYMENT ADVISORY BOARD (IPAB)

## OVERVIEW

- The Independent Payment Advisory Board, or IPAB, is a federal government agency created in 2010 by the health care reform law, or Affordable Care Act (ACA), to reduce growth in Medicare spending.
- There are 15 voting members of IPAB appointed by the President and confirmed by the Senate for six-year terms. IPAB membership must include physicians, health care professionals, seniors and consumers; however, there is no mandated role for “patients.”
- Beginning in 2014, if Medicare is growing too fast (according to a specified target), IPAB is required to submit its initial proposal to the President to reduce spending. The spending recommendations made by IPAB then go to Congress for fast-track consideration. If Congress does not act, the recommendations are automatically implemented by the Secretary of HHS and the implementation of the Board’s proposals is exempt from both judicial and administrative review.

## CONCERNS ABOUT IPAB

- The board empowers a small, unelected group to decide on Medicare spending cuts, even to the point of overriding laws passed by Congress.
- While Congress is subject to constitutional checks and balances, the health reform law set up IPAB so that, in practice, it is virtually exempt from these constitutional protections.
- We are concerned that IPAB will restrict patients' access to needed treatments and that IPAB will disproportionately target new treatments to cut spending.
- Members of both parties in Congress do not support retaining the board as it currently stands. Numerous health care organizations, including the American Hospital Association, the American Medical Association and AARP, also have expressed concern over IPAB or called for its repeal.
- Repealing IPAB would address a real problem in the health reform law and would ensure seniors and Congress continue to have control over Medicare, and support for continued medical advances in the U.S. remain in place.