

September 18, 2009

Dear Senator:

The undersigned physician organizations urge you to ensure that any health system reform legislation passed by Congress includes provisions to replace the flawed sustainable growth rate (SGR) formula with a new Medicare physician payment system.

Physicians face a payment cut of over 21 percent on January 1, 2010, and further substantial cuts for the next several years. While we appreciate the Senate Finance Committee's acknowledgement that the SGR must be addressed, we understand that the Committee plans to propose another short-term patch that leaves the underlying problem in place. We believe it is imperative that Congress eliminate the SGR altogether.

A new Medicare physician payment system is essential for establishing a stable foundation for new payment models and delivery reforms. In fact, retaining the SGR runs counter to the delivery reforms now being considered by Congress as part of comprehensive health system reform. Initiatives to improve care coordination, promote primary care and preventive services, and encourage wellness initiatives will ultimately generate system-wide savings by avoiding hospitalizations and other costly interventions. However, in the short term the volume of physician visits and other services will increase. If the SGR remains in place, the activities policy makers want to promote will trigger additional payment cuts.

Further, a stable, predictable physician payment system that allows physicians to plan ahead for practice innovations, investments, and personnel decisions that are fundamental to improved care coordination and chronic disease management is critical for broad-based health reform to occur. A stable payment system will also help sustain the physician workforce, which policy makers acknowledge will experience severe shortages in the near future, just as the baby boomer generation begins entering the Medicare program.

We understand that the status quo is not sustainable, and the physician community is willing to embrace significant changes to help reform the Medicare program. This has been demonstrated by our support for comparative effectiveness research, our support for incentive programs to encourage electronic prescribing and the adoption of health information technology, and our efforts to develop new performance measures and appropriateness criteria. We are committed to working with Congress to design a new Medicare physician payment system that promotes delivery reforms that will help bend the spending curve for Medicare and other populations.

As we work together to enact comprehensive health system reform legislation, we urge your support for replacing the SGR with a new Medicare physician payment system that will establish a stable foundation to build broader health system reforms.

Sincerely,

American Academy of Child and Adolescent Psychiatry  
American Academy of Clinical Endocrinology  
American Academy of Cosmetic Surgery  
American Academy of Dermatology Association  
American Academy of Family Physicians  
American Academy of Home Care Physicians  
American Academy of Hospice and Palliative Medicine  
American Academy of Neurology Professional Association  
American Academy of Ophthalmology  
American Academy of Otolaryngology-Head and Neck Surgery  
American Academy of Pain Medicine  
American Academy of Pediatrics  
American Academy of Physical Medicine and Rehabilitation  
American Association for Hand Surgery  
American Association of Clinical Endocrinologists  
American Association of Neuromuscular and Electrodiagnostic Medicine  
American College of Cardiology  
American College of Chest Physicians  
American College of Emergency Physicians  
American College of Gastroenterology  
American College of Mohs Surgery  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Family Physicians  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Radiation Oncology  
American College of Radiology  
American College of Rheumatology  
American College of Surgeons  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Directors Association  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Psychiatric Association  
American Society for Clinical Pathology  
American Society for Gastrointestinal Endoscopy  
American Society for Radiation Oncology  
American Society for Reproductive Medicine

American Society of Addiction Medicine  
American Society of Cataract and Refractive Surgery  
American Society of Clinical Oncology  
American Society of Hematology  
American Society of Nephrology  
American Society of Pediatric Nephrology  
American Society of Surgery for the Hand  
American Society of Transplant Surgeons  
American Thoracic Society  
American Urological Association  
Association of American Medical Colleges  
Child Neurology Society  
College of American Pathologists  
Heart Rhythm Society  
Infectious Diseases Society of America  
Medical Group Management Association  
North American Spine Society  
Renal Physicians Association  
Society for Cardiovascular Angiography and Interventions  
Society for Vascular Surgery  
Society of Gynecologic Oncologists  
Society of Hospital Medicine  
Society of Nuclear Medicine  
The Endocrine Society  
The Society of Thoracic Surgeons

Medical Association of the State of Alabama  
Alaska State Medical Association  
Arkansas Medical Society  
California Medical Association  
Colorado Medical Society  
Connecticut State Medical Society  
Medical Society of Delaware  
Medical Society of the District of Columbia  
Hawaii Medical Association  
Idaho Medical Association  
Illinois State Medical Society  
Indiana State Medical Association  
Iowa Medical Society  
Kansas Medical Society  
Kentucky Medical Association  
Louisiana State Medical Society  
Maine Medical Association  
MedChi, The Maryland State Medical Society  
Massachusetts Medical Society  
Michigan State Medical Society

Minnesota Medical Association  
Mississippi State Medical Association  
Missouri State Medical Association  
Montana Medical Association  
Nebraska Medical Association  
Nevada State Medical Association  
New Hampshire Medical Society  
Medical Society of New Jersey  
New Mexico Medical Society  
Medical Society of the State of New York  
North Carolina Medical Society  
North Dakota Medical Association  
Ohio State Medical Association  
Oklahoma State Medical Association  
Oregon Medical Association  
Pennsylvania Medical Society  
Rhode Island Medical Society  
South Carolina Medical Association  
South Dakota State Medical Association  
Tennessee Medical Association  
Texas Medical Association  
Utah Medical Association  
Vermont Medical Society  
Medical Society of Virginia  
Washington State Medical Association  
West Virginia State Medical Association  
Wisconsin Medical Society  
Wyoming Medical Society

Anesthesia Service Medical Group  
Aurora Medical Group  
Austin Regional Clinic  
Hennepin Faculty Associates  
Lahey Clinic  
McFarland Clinic  
Vancouver Clinic