



American Academy of Family Physicians

This letter was sent to Senators Reid, McConnell, Baucus and Grassley; Representatives Pelosi, Boehner, Rangel and McCrery.

April 26, 2007

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

Via Fax: 202-224-7327

Dear Majority Leader Reid:

In 2006, the Centers for Medicare and Medicaid Services issued Transmittal 847 which announced that a hold would be placed on Medicare payments for all claims for the final nine days of the Federal fiscal year, i.e., September 22, 2006–September 30, 2006. This action was mandated by section 5203 of the *Deficit Reduction Act of 2005*. Claims held as a result of this one-time policy were to be paid on October 2, 2006. Moreover, no interest or late penalty was paid to an entity or individual for any delay in payment.

The American Academy of Family Physicians, the majority of whose 93,800 members practice in a small business environment, wishes to go on record in opposition to this payment delay that took place in 2006, and objects to using similar delays for future budget requirements.

As small business people, family physicians must meet payroll and pay bills and do not have the flexibility to delay paying these obligations for nine days. It is, therefore, fundamentally unfair that a government payer can unilaterally decide to place a hold on making its payment obligations. It is additionally unfair to provide no consideration such as interest for the use of the financial resources that are due to the physicians who, in good faith, provided the needed care to our nation's elderly.

While we are not aware that any similar action is being contemplated, we would urge the United States Congress to resist the use of such a measure that places real hardships on small business.

Sincerely,

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