



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

March 29, 2011

Dear House/Senate Budget Committee Member:

As you finalize the budget resolution for the coming fiscal year, the American Academy of Family Physicians, representing 97,600 family physicians, residents, and medical students nationwide, recommends that you provide sufficient federal resources to support vital public health programs. We recognize the difficult decisions which our nation's budgetary pressures present and remain confident that wise federal investment will help to transform health care to achieve optimal cost-efficient health for everyone.

We support the recommendation of the health community for discretionary health programs (Budget Function 550) of \$65 billion in the fiscal year 2012 budget resolution. The funds made available for appropriation to the programs administered by the Health Resources and Services Administration, Agency for Healthcare Research and Quality, National Institutes of Health, Centers for Disease Control and Prevention, and others are essential to training our physician workforce, recruiting physicians to practice in underserved areas, and supporting them with research into evidence-based medical practice. The AAFP has long been a vigorous advocate of federal programs to improve the health of our patients, families and communities by promoting primary care medicine training programs (*Public Health Service Act* Title VII, Section 747), fostering innovations which improve quality and supporting efforts to provide health care access to underserved Americans.

Affordable Care Act

The AAFP urges you to preserve the Medicare primary care incentive payment included in the *Affordable Care Act* (ACA). This important provision recognizes the value that primary care brings to the health care system with a 10-percent Medicare bonus for qualified primary care physicians – defined as those in family medicine, internal medicine, geriatric medicine and pediatric medicine.

The ACA also takes an important step toward providing fair and adequate Medicaid reimbursement for primary care services by requiring that they are at least equal to Medicare payment. In 2013 and 2014, Medicaid payments for primary care and some preventive health care services will be increased so that they are equal to Medicare payments. We believe that Medicaid primary care payment should be permanently equal to that of Medicare in order to maintain access to primary care for Medicaid beneficiaries.

The AAFP supports the investment made by the ACA to establish the Center for Medicare and Medicaid Innovation to test and evaluate payment and service delivery models to reduce expenditures under Medicare, Medicaid and CHIP while preserving or enhancing the quality of that care.

In addition, the AAFP supports the funds set aside by the ACA to support the vital work of health workforce training and placement, disease prevention, and Patient-Centered Outcomes Research.

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In particular, we support the Prevention and Public Health Fund which has been used to support primary care medicine training programs. The innovative Teaching Health Centers program also funded by the ACA is helping to increase primary care physician training capacity. Teaching Health Centers will train primary care residents in non-hospital settings where most primary care is delivered.

The Community Health Center Fund, authorized by the ACA, provides resources for the National Health Services Corps (NHSC) which has long served to provide access to health care to underserved Americans. NHSC also provides important student debt relief to attract new physicians into primary care specialties.

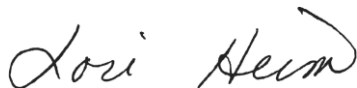
The Patient-Centered Outcomes Research Trust Fund authorized by the ACA is needed to improve the quality, safety, efficiency, and effectiveness of health care for all Americans. The work of the new Patient-Centered Outcomes Research Institute is needed to support clinical decision-making, reduce costs, advance patient safety, decrease medical errors and improve health care quality and access. The AAFP strongly recommends that the FY 2012 budget resolution retain those ACA funds.

Medicare Sustainable Growth Rate

The President's FY 2012 budget calls for two years of relief for physicians from devastating reductions in payments resulting from the Medicare Sustainable Growth Rate (SGR) formula. Unless Congress acts again to override it, the SGR formula used to calculate annual updates will mean a 29.5 percent cut in payments to physicians and other Medicare providers beginning on January 1, 2012. The threat of these drastic payment cuts creates an unstable program for doctors and patients. We urge the Congress to provide for a multi-year Medicare schedule which narrows the payment differential between primary care and other physicians. The House of Representatives approved an example of differential payment when it passed the *Medicare Physician Payment Reform Act* in 2009. The bill would have created a conversion factor of GDP plus 2 percent for primary care services, while specifying a conversion factor of GDP plus 1 percent for all other physician services.

We hope that you will share our commitment to restoring the economic prosperity of this nation by including sound and appropriate investments in the infrastructure that supports improved health care for all.

Sincerely,

A handwritten signature in black ink that reads "Lori Heim". The signature is written in a cursive style with a large, sweeping flourish at the end.

Lori Heim, MD, FAAFP
Chair, Board of Directors