

March 12, 2015

The Honorable John Boehner
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Harry Reid
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Boehner, Leader McCarthy, Leader Pelosi, Leader McConnell, and Leader Reid:

On behalf of the 115,900 members of the American Academy of Family Physicians, and the undersigned organizations representing family physicians in 49 states and the District of Columbia, we urge you to repeal the Medicare Sustainable Growth Rate (SGR) formula and replace it with a payment system that emphasizes value-based health care delivery. As the organizations representing the largest number of primary care physicians, we write to encourage Congress to take immediate action on this critical issue.

Congress must act before March 31, 2015, to avert a 21-percent physician payment cut from going into effect. The current payment system must be changed to reflect the importance of physicians and the value of primary care. The first step in accomplishing this goal is repealing the flawed SGR formula.

Last year, the AAFP supported the bipartisan, bicameral bill that would have repealed the SGR and provided a clearly defined path to permanent payment reform. The bill failed to pass Congress due to disputes over the budget offsets, and another “doc-fix” postponed the SGR cliff until March 31, 2015.

Since 2003, Congress has had to override the SGR formula a total of 17 times. The cost to Medicare of these short-term patches is estimated to be approximately \$169.5 billion. Because of the additive nature of the formula, payment rate decreases are projected for many years into the future to account for this accumulated debt. While we are appreciative of actions taken to prevent deep cuts in physician payments, yearly or even monthly short-term patches to the formula, when coupled with escalating costs associated with operating a medical practice, create an unstable program for our members and the patients they care for. Instability makes it more challenging for family physicians to transform their practices into patient-centered medical homes, and make other critical investments to serve Medicare patients. This is why family medicine has advocated for repeal and replacement of the SGR for several years – so the primary care delivery system can flourish through innovation unencumbered by a flawed payment structure and can be better situated to provide quality care to patients.

The opportunity to make a major improvement in the delivery of health care and the quality of care provided to all patients arises infrequently. We urge you, as leaders of the United States Senate and House of Representatives to repeal the Medicare Sustainable Growth Rate (SGR) formula and replace it with a payment system that emphasizes quality-based health care delivery before March 31. We urge you to avoid additional short-term solutions and place the highest priority on a permanent solution. Family medicine stands ready to provide any assistance you need.

Sincerely,

*American Academy of Family Physicians
Alabama Academy of Family Physicians
Alaska Academy of Family Physicians
Arizona Academy of Family Physicians
Arkansas Academy of Family Physicians
California Academy of Family Physicians
Colorado Academy of Family Physicians
Connecticut Academy of Family Physicians
Delaware Academy of Family Physicians
District of Columbia Academy of Family Physicians
Florida Academy of Family Physicians
Georgia Academy of Family Physicians
Idaho Academy of Family Physicians
Illinois Academy of Family Physicians
Indiana Academy of Family Physicians
Iowa Academy of Family Physicians
Kansas Academy of Family Physicians
Kentucky Academy of Family Physicians
Louisiana Academy of Family Physicians
Maine Academy of Family Physicians
Maryland Academy of Family Physicians
Massachusetts Academy of Family Physicians
Michigan Academy of Family Physicians
Minnesota Academy of Family Physicians
Mississippi Academy of Family Physicians
Missouri Academy of Family Physicians
Montana Academy of Family Physicians
Nebraska Academy of Family Physicians
Nevada Academy of Family Physicians
New Hampshire Academy of Family Physicians
New Jersey Academy of Family Physicians
New Mexico Academy of Family Physicians
New York Academy of Family Physicians
North Carolina Academy of Family Physicians
North Dakota Academy of Family Physicians
Ohio Academy of Family Physicians
Oklahoma Academy of Family Physicians
Oregon Academy of Family Physicians
Pennsylvania Academy of Family Physicians*

*Rhode Island Academy of Family Physicians
South Carolina Academy of Family Physicians
South Dakota Academy of Family Physicians
Tennessee Academy of Family Physicians
Texas Academy of Family Physicians
Utah Academy of Family Physicians
Vermont Academy of Family Physicians
Virginia Academy of Family Physicians
Washington Academy of Family Physicians
West Virginia Academy of Family Physicians
Wisconsin Academy of Family Physicians
Wyoming Academy of Family Physicians*

*CC: United States Senate
United States House of Representatives*