

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

There are a number of retroactive Medicare payment increases that the Centers for Medicare and Medicaid Services (CMS) failed to make this year for physicians. These changes stem from several provisions in the Affordable Care Act (ACA) as well as certain corrections in the final 2010 physician fee schedule rule. We, the undersigned organizations, urge the Administration to take the necessary steps to immediately reimburse physicians for the payment changes that are outlined below.

ACA implemented six provisions that called for CMS to reimburse physicians retroactively to January 1, 2010: (1) extend the 1.0 work geographic practice cost index (GPCI) floor that expired on December 31, 2009; (2) raise practice expense GPCIs in low cost areas by reflecting only half the geographic wage and rent cost differences in their calculation; (3) extend the 5 percent add-on payment for specified psychiatry services; (4) increase payments for bone density tests; (5) extend the therapy cap exception that expired on April 1; and (6) extend a provision allowing independent labs to bill for the technical component of physician pathology services. While the payment adjustments vary across the country, many areas were scheduled to see significant increases due to GPCI changes, for example: North Dakota 7%; Montana 6.7%; Wyoming 6.4%; West Virginia 5.6%; Mississippi 5.9%; Kentucky 5.2%; and Kansas 4.6%. With physicians in more than 40 states affected by the GPCI increases alone, we urge CMS to make these adjustments in the least administratively burdensome manner possible.

In addition, the final 2010 fee schedule rule undervalued a number of cardiology codes due to errors in the CMS's calculation of the practice expenses associated with myocardial perfusion imaging and professional liability insurance expenses for a number of high risk procedures, i.e. neurosurgery and cardiovascular. Claims filed after the middle of the year reflect corrected rates. However, most of the claims filed prior to that time have yet to be adjusted even though in some cases, the original payments were 40% lower than they should have been. Failure to reimburse physicians for these retroactive payment changes comes on the heels of an extremely disruptive year for our patients. Throughout 2010, Congress enacted short-term, stop-gap measures for durations as short as one month. On three occasions, Congress failed to act in time and Medicare payments were cut by more than 20 percent. The payment uncertainties and

delays were highly disruptive. Many practices were forced to seek loans to meet payroll expenses, lay off staff, or cancel capital improvements and investments in electronic health records and other technology.

We understand that in the Medicare and Medicaid Extenders Act of 2010 Congress included \$200 million for CMS to process these payments increases. We strongly urge the Administration to announce how CMS intends to act immediately to ensure that physicians receive the appropriate retroactive payment increases.

Sincerely,

AMDA – Dedicated to Long Term Care Medicine
American Academy of Child and Adolescent Psychiatry
American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Home Care Physicians
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Otolaryngology – Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Association for Hand Surgery
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American Association of Neuromuscular & Electrodiagnostic Medicine
American College of Cardiology
American College of Emergency Physicians
American College of Gastroenterology
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Rheumatology
American College of Surgeons
American Congress of Obstetricians and Gynecologists
American College of Phlebology
American College of Physicians
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Group 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 Reproductive Medicine

American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of Nephrology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Urological Association
College of American Pathologists
Congress of Neurological Surgeons
Heart Rhythm Society
Infectious Diseases Society of America
International Society for Clinical Densitometry
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
National Medical Association
North American Spine Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of American Gastrointestinal and Endoscopic Surgeons
Society of Gynecologic Oncologists
Society of Nuclear Medicine
The Endocrine Society
The Society of Thoracic Surgeons

Medical Association of the State of Alabama
Alaska State Medical Association
Arizona 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
Florida Medical Association Inc
Medical Association of Georgia
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