April 11, 2011

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

Dear Speaker Boehner:

On behalf of our organizations of physicians, representing 100,600 members, we want to recognize Representative McDermott for introducing the *Medicare Physician Payment Assessment and Transparency Act of 2011* (HR 1256), which we are pleased to support, and explain the need for this piece of legislation.

The use of analytical contractors will lend an element of depth, data, deliberation, and inclusiveness not currently available to CMS or at the RUC. Moreover, the legislation merely enhances a provision of current law that enables CMS to use and consider analytical experts in this capacity. The ultimate objective is to recognize the value of primary care by providing CMS the authority as directed in current law to use additional reliable data for setting fair values for the reimbursement of medical services.

Primary care physicians provide about half of Medicare physician visits. While evaluation and management codes, which are the principal way physicians are paid for cognitive services, received a significant increase from the RUC in the 2005 five year review, the RUC has not given these codes the necessary attention or appropriate valuation. Part of the reason for the incorrect valuation is through no fault of the RUC since no distinction in the codes was made in the original RBRVS system to recognize highly complex cognitive work from some of the more routine services provided by physicians. The type of analytic work required by H.R. 1256 would directly address this issue.

CMS has relied too heavily on the product of the RUC by accepting 94 percent of the committee's recommendations. The proper valuation of codes predominantly used by primary care physicians (E & M codes) is critical for a highly functioning health system. There is compelling evidence that health care outcomes and costs are strongly linked to the availability of primary care physicians.

At the same time, the Medicare Payment Advisory Commission (MedPAC) has expressed concern about the declining proportion of U.S. medical students choosing careers in primary care. The Council on Graduate Medical Education (COGME) has recently estimated that medical students will not be attracted to primary care in sufficient numbers until the income for primary care is at least 70 percent of the income of specialty physicians. Currently, COGME estimates that percentage to be less than 53 percent. Equitable valuation and payment of primary care services that recognizes the highly complex work entailed will help strengthen and expand the workforce for cognitive medical services.

Opponents of H.R. 1256 cite the gains seen by primary care under the guidance of the RUC, which include the increase to evaluation and management services in the 5 year review and the valuation of a patient-centered medical home, observational care and telephone and team management services. We will not dispute the importance of these advances. However, we believe these changes have been dictated less by the will of

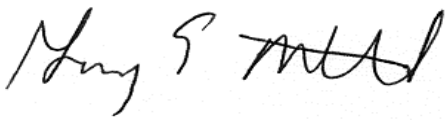
the RUC, than by the evidence that a high-performing primary care system is vital to maintaining the health and wellness of Americans. And we would note that the RUC recommendation for these increased E&M values were made on the condition of added revenue, not in the context of budget neutrality. The continued disparity of payment between subspecialists and primary care highlight the need for additional reforms that will not occur without modifications such as those included in H. R. 1256.

Our position is that every reasonable effort should be made to devise a reliable payment system that emphasizes increased payment for cognitive skills relative to procedural skills; that acknowledges and pays for care management services as necessary to the provision of continuous, comprehensive patient care; and that encourages and pays for preventive care and appropriate health maintenance services. Any payment system must include provisions for annual reevaluation to keep the system current to reflect changing economic factors affecting the cost of delivering services. We call for a realignment of Medicare payment to reflect more equitable payment for the high-value services provided by primary care providers, including family physicians and general internists.

The effect of this legislation would be to empower CMS to use analytic contractors to determine the appropriate values for potentially misvalued codes. Moreover, the agency could use recommendations from "existing processes" (like the RUC) but only to the extent that those recommendations are consistent with the independent analytic contractors engaged by CMS.

The *Medicare Physician Payment Assessment and Transparency Act* represents an important incremental step to improve the environment for primary care in America and thus the health of the public.

Sincerely,



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