

September 10, 2007

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 Capitol Building
Washington, DC 20510

Dear Majority Leader Reid:

On behalf of the undersigned organizations, we urge you to include two years of positive Medicare physician payment updates in a final SCHIP conference agreement. If Congress does not act, the sustainable growth rate (SGR) will cut Medicare payments to physicians and other health professionals by 10 percent on January 1, 2008. For physicians and the 81% of beneficiaries in traditional Medicare, the time for action is now. Congress has a chance to break with business as usual and include Medicare physician payment relief in the SCHIP conference agreement.

Prior to the August recess, the U.S. House of Representatives took action to ensure our seniors retain access to high quality health care with the passage of H.R. 3162, the CHAMP Act. In addition to reauthorizing the SCHIP program, the bill replaces 15 percent cuts in Medicare payment rates for all physician services over the next two years with positive updates of 0.5 percent. We call upon the U.S. Senate to ensure funding for positive Medicare physician payment updates is included in final SCHIP reauthorization legislation.

According to an American Medical Association survey, if payments are cut as projected in 2008, 60 percent of physicians will have to limit their acceptance of new Medicare patients, and two-thirds of physicians plan to defer the purchase of information technology. These projected payment cuts will destabilize the Medicare program and erode access to care for America's seniors.

Physicians and other health professionals on the front lines of health care face a devastating 10% cut in January while other Medicare providers under current law, including private Medicare Advantage plans, receive annual automatic updates. This imbalance is unsustainable.

Temporary Congressional interventions to prevent past cuts, while necessary, have not kept up with increases in medical practice costs and have pushed the cost of fixing the problem to future years, making a meaningful long-term resolution more and more expensive. Physician payment rates are about the same today as they were in 2001, while practice costs have increased nearly 20 percent and will increase another 20 percent over

next nine years according to the government's conservative Medicare Economic Index (MEI). Over this same period, physician payments are scheduled to be cut by 40 percent. Patient access to care will undoubtedly suffer.

We are concerned that delaying until later this year action to replace the next two years of cuts with positive updates will put Medicare physicians, other health professionals and beneficiaries in an untenable position of uncertainty about Congress' commitment to provide needed relief in traditional Medicare.

We strongly urge the U.S. Senate to take immediate action to fulfill the Medicare program's promise to America's seniors to ensure their continued access to high quality health care.

Sincerely,

Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Florida Medical Association
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
Massachusetts Medical Society
MedChi, The Maryland State Medical Society
Medical Association of Georgia
Medical Association of the State of Alabama
Medical Society of Delaware
Medical Society of New Jersey
Medical Society of the District of Columbia
Medical Society of the State of New York
Medical Society of Virginia
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
New Mexico Medical Society
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
Utah Medical Association
Vermont Medical Society
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society

American Academy of Allergy, Asthma and Immunology
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 Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Nurse Practitioners
American Academy of Ophthalmology
American Academy of Otolaryngology- Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Academy of Physician Assistants
American Association for the Study of Liver Diseases
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American Association of Neurological Surgeons
American Association of Nurse Anesthetists
American Association of Orthopaedic Surgeons
American Chiropractic Association
American College of Allergy, Asthma and Immunology
American College of Chest Physicians
American College of Emergency Physicians
American College of Gastroenterology
American College of Obstetricians and Gynecologists

American College of Osteopathic Family Physicians
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Preventative Medicine
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Directors Association
American Nurses Association
American Optometric Association
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Psychiatric Association
American Psychological Association
American Podiatric Medical Association
American Rhinologic Society
American Society for Clinical Pathology
American Society for Gastrointestinal Endoscopy
American Society for Reproductive Medicine
American Society for Therapeutic Radiology and Oncology
American Society of Addiction Medicine
American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Cataract and Refractive Surgery
American Society of Clinical Oncology
American Society of General Surgeons
American Society of Hematology
American Society of Interventional Pain Physicians
American Society of Nephrology
American Society of Pediatric Nephrology
American Society of Plastic Surgeons
American Speech-Language-Hearing Association
American Thoracic Society
American Urogynecologic Society
American Urological Association
Association of American Medical Colleges
Child Neurological Society
College of American Pathologists
Congress of Neurological Surgeons
Infectious Diseases Society of America
Joint Council of Allergy, Asthma and Immunology
Marshfield Clinic

Medical Group Management Association
National Association of Social Workers
National Rural Health Association
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Critical Care Medicine
Society of Gynecologic Oncologists
Society of Hospital Medicine
Society of Thoracic Surgeons
The Endocrine Society