

March 23, 2009

The Honorable Kent Conrad  
Chairman, Committee on Budget  
United States Senate  
624 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Conrad:

We urge you to support the Administration's FY 2010 Budget proposal that assumes the 'rebasin' of Medicare physician payments. This proposal recognizes the need to replace the sustainable growth rate (SGR) and avert the serious access crisis that looms as physicians face drastic payment cuts in the coming decade due to this failed formula.

The Administration's Budget essentially resets the Medicare physician payment baseline. It includes \$329.6 billion over 10 years "to account for expected Medicare payments to physicians." This assumes a more realistic baseline for physician spending and is the Administration's "best estimate of what the Congress has done in recent years." The new baseline would recognize the reality of future Medicare spending on physicians' services. The existing baseline unrealistically assumes drastic physician payment cuts in the future because of the flawed nature of the SGR formula and the budget gimmicks that have been used to avert the previous cuts.

Congress and the physician community now confront a 21 percent cut on January 1, 2010 and cuts for the next several years thereafter totaling 40 percent. To avert these future cuts that threaten patient access to care, Congress will have to intervene, thereby continually ignoring the current baseline. Since 2003, Congress has interceded six times to legislatively ignore the baseline and stop pending cuts. It is now clear that the current physician payment baseline is no longer useful in that it paints a false picture of actual Medicare spending.

Rebasin the physician payment baseline would reflect projected Medicare spending and would also represent a more realistic and transparent approach to addressing rising health care costs. After all, the primary purpose of a baseline is to provide policymakers a clear forecast of projected spending and taxpayer obligations.

Most importantly, rebasin would facilitate the passage of legislation to permanently reform the Medicare physician payment system to preserve the delivery of high quality, cost-effective care for our nation's seniors and disabled patients. **Therefore, as proposed in the Administration's Budget, we strongly urge the Budget Committee to support the adoption of a new Medicare baseline for physician payments in the FY 2010 Budget Resolution.**

Sincerely,

American Academy of Allergy, Asthma and Immunology  
 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 Hospice and Palliative Medicine  
 American Academy of Neurology Professional Association  
 American Academy of Ophthalmology  
 American Academy of Otolaryngic Allergy  
 American Academy of Otolaryngology—Head and Neck Surgery  
 American Academy of Physical Medicine and Rehabilitation  
 American Association of Clinical Endocrinologists  
 American Association of Neurological Surgeons  
 American Association of Orthopaedic Surgeons  
 American College of Cardiology  
 American College of Chest Physicians  
 American College of Emergency Physicians  
 American College of Mohs Surgery  
 American College of Obstetricians and Gynecologists  
 American College of Osteopathic Internists  
 American College of Osteopathic Surgeons  
 American College of Physicians  
 American College of Preventive Medicine  
 American College of Radiation Oncology  
 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 Medical Group Association  
 American Osteopathic Academy of Orthopedics  
 American Osteopathic Association  
 American Psychiatric Association  
 American Society for Gastrointestinal Endoscopy  
 American Society for Radiation Oncology  
 American Society for Reproductive Medicine  
 American Society of Addiction Medicine  
 American Society of Anesthesiologists  
 American Society of Cataract and Refractive Surgery  
 American Society of Clinical Oncology  
 American Society of Hematology  
 American Society of Nephrology  
 American Society of Pediatric Nephrology

American Society of Plastic Surgeons  
American Society of Transplant Surgeons  
American Thoracic Society  
American Urogynecologic Society  
American Urological Association  
College of American Pathologists  
Congress of Neurological Surgeons  
Heart Rhythm Society  
Infectious Diseases Society of America  
Medical Group Management 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 Interventional Radiology  
Society of Thoracic Surgeons  
The Endocrine Society  
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  
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  
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