



AMERICAN ACADEMY OF  
FAMILY PHYSICIANS



Center for Medicare Advocacy, Inc.



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Getting Medicare right

February 10, 2012

The Honorable Max Baucus  
Chairman  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Ranking Member  
Senate Finance Committee  
Washington, D.C. 20510

The Honorable Fred Upton  
Chairman  
House Energy and Commerce  
Committee  
Washington, D.C. 20515

The Honorable Henry Waxman  
Ranking Member  
House Energy and Commerce  
Committee  
Washington, D.C. 20515

The Honorable Dave Camp  
Chairman  
House Ways and Means Committee  
Washington, D.C. 20515

The Honorable Sander Levin  
Ranking Member  
House Ways and Means Committee  
Washington, D.C. 20515

Dear Chairman Baucus, Ranking Member Hatch, Chairman Upton, Ranking Member Waxman, Chairman Camp, and Ranking Member Levin:

The undersigned organizations representing physicians and beneficiaries write to urge Congress to avert looming payment cuts to the physicians who millions of older adults and people with disabilities rely on for their care. Long overdue reform of the Medicare physician payment formula is needed to ensure stable access to health care for people with Medicare. We need to move away from the current payment formula that year after year relies on Congressional action to postpone scheduled payment cuts, including a drastic 27.4 percent cut scheduled to take effect beginning March 1, 2012.

The Honorable Chairman Baucus, Ranking Member Hatch, Chairman Upton, Ranking Member Waxman, Chairman Camp, and Ranking Member Levin  
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Congress has long recognized that the Sustainable Growth Rate (SGR) is a poor method for establishing Medicare payment rates for doctors. In each of the last nine years it has voted to override the cuts mandated under the formula. New payment methods are needed that maintain access and encourage the delivery of high-quality care. Another temporary patch to avoid the cut scheduled to take place in a few short weeks does not deliver the stability people with Medicare need. Stop-gap measures have served to increase the size of future cuts, the cost of long-term reform, and the insecurity among people with Medicare about their ability to maintain access to their doctors.

Addressing the current flawed payment formula is a necessary and far-sighted course of action. Congress has an opportunity to repeal the SGR -- the first step toward enacting a better payment system -- by redirecting money from the Overseas Contingency Operations (OCO) fund the Pentagon says will never be spent. Use of such funding would also enable Congress to repeal the SGR without requiring beneficiaries to pay more. Each of the organizations signing onto this letter supports the use of OCO in the final package. As we address this problem, we must also ensure we keep the Medicare program affordable for beneficiaries, especially given that today the average older person spends nearly 20 percent of his/her income on health care. We support using Medicare savings to improve the programs' financial outlook, including avoiding the imposition of any additional costs of SGR reform on beneficiaries. We also urge a continued focus on physician services, including care coordination provided by primary care physicians, which are key to achieving the goals of better care, better health, and lower costs.

The annual legislative struggle to avert Medicare physician payment cuts has gone on far too long. It is crucial to ensure that people in Medicare can maintain relationships with the doctors who treat them. Our organizations are ready to work with you to help all members of Congress understand the importance of this issue to the older adults and people with disabilities in their home states.

Sincerely,

AARP  
American Academy of Family Physicians  
American College of Physicians  
Center for Medicare Advocacy, Inc.  
Medicare Rights Center