

December 15, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
S-221 Capitol Building
Washington, DC 20510-0720

Dear Senator Reid:

The undersigned organizations representing national physician organizations and state medical societies are writing to stress the urgency of establishing a pathway for a permanent repeal of Medicare's sustainable growth rate (SGR) formula.

Without Congressional intervention, Medicare physician payments will be slashed by more than 21 percent on January 1, 2010—a cut that inarguably will compromise access to care for Medicare patients and for military families whose TRICARE coverage is based on Medicare rates.

The principal reason for the steepness of the 2010 payment cut is the method Congress has used in the past to postpone previous payment reductions produced by the flawed SGR formula. Because Congress has repeatedly “kicked the can” to postpone imminent payment cuts to future years, we are facing impossibly severe cuts. At the same time, the cost of repealing a formula whose faults have been known since its inception has continued to grow, from \$49 billion in 2005 to over \$200 billion today.

For these reasons, our organizations are unified in their firm opposition to any proposal that would implement another short-term, one- or two-year patch to postpone the 2010 Medicare payment cuts. This is not a fiscally responsible solution, and it does not serve the interests of the Medicare and TRICARE patients who depend on these programs to assure their access to care. A permanent repeal of the SGR formula is needed now.

Throughout the year, members of Congress have offered assurances that they would not allow the 2010 payment cuts to occur, and the House of Representatives passed legislation last month that offers a pathway to permanent repeal of the SGR formula. Nonetheless, rates will be slashed by 21.2% in a matter of days, and it seems unlikely that Congress can complete action on legislation to repeal the SGR before the end of the year. In the best interests of our patients, we will support a very short postponement of the imminent cuts for a period of 30-45 days, so that Congress has enough time to pass Medicare physician payment reform legislation that will be signed into law.

As the debate over improving our nation's health care system continues, Congress must be mindful of its existing obligations to patients covered by the Medicare and TRICARE programs.

The status-quo is not sustainable; now is the time to pass legislation to permanently repeal the SGR.

Sincerely,

AMDA – Dedicated to Long Term Care Medicine
American Academy of Allergy, Asthma and Immunology
American Academy of Cosmetic Surgery

American Academy of Dermatology Association
 American Academy of Family Physicians
 American Academy of Hospice and Palliative Medicine
 American Academy of Neurology Professional Association
 American Academy of Ophthalmology
 American Academy of Otolaryngology-Head and Neck Surgery
 American Academy of Pain Medicine
 American Academy of Pediatrics
 American Academy of Physical Medicine and Rehabilitation
 American Association of Clinical Urologists
 American Association of Neuromuscular and Electrodiagnostic Medicine
 American Association of Orthopaedic Surgeons
 American College of Cardiology
 American College of Chest Physicians
 American College of Emergency Physicians
 American College of Gastroenterology
 American College of Obstetricians and Gynecologists
 American College of Occupational and Environmental Medicine
 American College of Osteopathic Internists
 American College of Osteopathic Surgeons
 American College of Phlebology
 American College of Physicians
 American College of Radiation Oncology
 American College of Radiology
 American College of Rheumatology
 American College of Surgeons
 American Gastroenterological Association
 American Medical Association
 American Orthopaedic Foot and Ankle Society
 American Osteopathic Academy of Orthopedics
 American Osteopathic Association
 American Psychiatric Association
 American Society for Aesthetic Plastic Surgery
 American Society for Clinical Pathology
 American Society for Dermatologic Surgery Association
 American Society for Gastrointestinal Endoscopy
 American Society for Reproductive Medicine
 American Society for Surgery of the Hand
 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 Nuclear Cardiology
 American Society of Pediatric Nephrology
 American Society of Plastic Surgeons
 American Society of Retina Specialists
 American Society of Transplant Surgeons
 American Thoracic Society
 American Urological Association
 Association of American Medical Colleges

College of American Pathologists
Heart Rhythm Society
Infectious Diseases Society of America
International Society for Clinical Densitometry
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
North American Spine Society
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Gynecologic Oncologists
Society of Hospital Medicine
Society of Interventional Radiology
Society of Nuclear Medicine
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
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

cc: United States Senate