

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