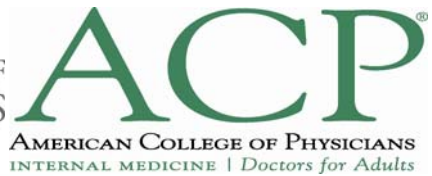




AMERICAN ACADEMY OF  
FAMILY PHYSICIANS



November 9, 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 health care providers, clinicians, and Medicare beneficiaries, write to urge Congress to avert looming payment cuts to the providers who millions of older adults and people with disabilities rely on for care. The Medicare physician payment formula is long overdue for reform in order 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 26.5 percent cut scheduled to take effect beginning January 1, 2013.

Congress has long recognized that the Sustainable Growth Rate (SGR) is a poor method for establishing payment rates for health care providers paid under the Medicare physician fee schedule. In each of the last ten years it has voted to override the cuts mandated under the formula. These stop-gap measures have served to increase the size of future

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cuts, the cost of long-term reform, and the insecurity among people with Medicare about their ability to maintain access to their doctors. We urge you to pass the longest possible SGR fix this year, in order to allow for the development of a long-term and sustainable solution. New payment methods are needed that maintain access and encourage the delivery of high-quality care.

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. 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 be sure to keep the Medicare program affordable for beneficiaries, especially given that today the typical older person relies on less than \$22,000 a year and spends over 15 percent of his/her income on health care. Therefore, we must avoid imposing any additional costs of SGR reform on beneficiaries.

We also urge a continued focus on improving the quality of care for older adults and the disabled, including access to primary care services and care coordination, 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 and providers who treat them. Our organizations are ready to work with you to help all members of Congress to address this issue, which is vitally important to the older adults and people with disabilities across the nation.

Sincerely,

AARP

American Academy of Family Physicians

American College of Physicians

American Geriatrics Society

Center for Medicare Advocacy, Inc

Medicare Rights Center