



October 20, 2011

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 people with Medicare write to urge Congress to avert looming payment cuts to the physicians that 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 29.5 percent cut scheduled to take effect beginning January 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 next year's cuts does not deliver the stability that 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 see the doctor of their choice.

Addressing the current flawed payment formula is a necessary and far-sighted course of action. As we address this problem, we must also ensure that 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 recommend that any savings from Medicare be returned to the Medicare program, and that all efforts be made to avoid imposing the 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 with 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
American Medical Association
Center for Medicare Advocacy, Inc.
Medicare Rights Center