



Sound Policy. Quality Care.

December 14, 2012

Dear Speaker Boehner, Senate Majority Leader Reid, Chairman Camp, Chairman Upton and Chairman Baucus:

As Congress considers legislation to address our nation's economy, including the "fiscal cliff," the Alliance of Specialty Medicine (Alliance) respectfully requests that you include a permanent replacement for the Sustainable Growth Rate (SGR) formula on your list of priority provisions that must be acted on by the end of the year.

As you know, physicians treating Medicare beneficiaries face an insurmountable cut of 26.5% in their reimbursements beginning in 2013, not to mention the multitude of other financial penalties related to Medicare's quality improvement initiatives and an additional 2% sequestration pay cut. As a result, physicians are reconsidering their participation in the Medicare program, limiting the number of Medicare patients they see, or leaving the practice of medicine altogether. Those who may remain in practice, or in Medicare, will not be able to make critical investments in their practice's infrastructure to support new models of delivery that aim to improve quality and efficiency, including the adoption of health information technology. Consequently, beneficiary access to high-quality healthcare will be severely threatened, with longer waits and lengthy travel to see a physician, particularly specialists.

Physicians and seniors have waited long enough for Congress to address this significant flaw in our nation's largest health program. Each year since 2002, the SGR formula has called for a substantial reduction in Medicare physician payment rates. In 2002, payment rates were reduced by 5.4 percent. In each subsequent year, Congress has overridden the formula, specifying small increases or payment freezes instead of large cuts. These short-term "fixes" have served only to exacerbate the problem and continue to undermine physician and beneficiary confidence in the Medicare program.

With only a few short weeks left in this legislative session, we respectfully request that you take action to repeal the flawed Medicare physician payment formula. The Alliance stands ready to support you in taking this critical, fiscally responsible step that would lay the foundation for longer-term sustainability and solvency in the Medicare program.

Sincerely,

American Academy of Facial Plastic and Reconstructive Surgery
American Association of Neurological Surgeons
American Gastroenterological Association
American Society of Cataract and Refractive Surgery
American Society of Plastic Surgeons

American Society of Echocardiography
American Urological Association
Coalition of State Rheumatology Organizations
Congress of Neurological Surgeons
Heart Rhythm Society
National Association of Spine Specialists
Society for Cardiovascular Angiography and Interventions
Society for Excellence in Eyecare

Cc: Members of the U.S. Senate and House of Representatives