

The Honorable Kathleen Sebelius  
Secretary  
Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Sebelius:

There are a number of retroactive Medicare payment increases that the Centers for Medicare and Medicaid Services (CMS) failed to make this year for physicians. These changes stem from several provisions in the Affordable Care Act (ACA) as well as certain corrections in the final 2010 physician fee schedule rule. We, the undersigned organizations, urge the Administration to take the necessary steps to immediately reimburse physicians for the payment changes that are outlined below.

ACA implemented six provisions that called for CMS to reimburse physicians retroactively to January 1, 2010: (1) extend the 1.0 work geographic practice cost index (GPCI) floor that expired on December 31, 2009; (2) raise practice expense GPCIs in low cost areas by reflecting only half the geographic wage and rent cost differences in their calculation; (3) extend the 5 percent add-on payment for specified psychiatry services; (4) increase payments for bone density tests; (5) extend the therapy cap exception that expired on April 1; and (6) extend a provision allowing independent labs to bill for the technical component of physician pathology services. While the payment adjustments vary across the country, many areas were scheduled to see significant increases due to GPCI changes, for example: North Dakota 7%; Montana 6.7%; Wyoming 6.4%; West Virginia 5.6%; Mississippi 5.9%; Kentucky 5.2%; and Kansas 4.6%. With physicians in more than 40 states affected by the GPCI increases alone, we urge CMS to make these adjustments in the least administratively burdensome manner possible.

In addition, the final 2010 fee schedule rule undervalued a number of cardiology codes due to errors in the CMS's calculation of the practice expenses associated with myocardial perfusion imaging and professional liability insurance expenses for a number of high risk procedures, i.e. neurosurgery and cardiovascular. Claims filed after the middle of the year reflect corrected rates. However, most of the claims filed prior to that time have yet to be adjusted even though in some cases, the original payments were 40% lower than they should have been. Failure to reimburse physicians for these retroactive payment changes comes on the heels of an extremely disruptive year for our patients. Throughout 2010, Congress enacted short-term, stop-gap measures for durations as short as one month. On three occasions, Congress failed to act in time and Medicare payments were cut by more than 20 percent. The payment uncertainties and

delays were highly disruptive. Many practices were forced to seek loans to meet payroll expenses, lay off staff, or cancel capital improvements and investments in electronic health records and other technology.

We understand that in the Medicare and Medicaid Extenders Act of 2010 Congress included \$200 million for CMS to process these payments increases. We strongly urge the Administration to announce how CMS intends to act immediately to ensure that physicians receive the appropriate retroactive payment increases.

Sincerely,

AMDA – Dedicated to Long Term Care Medicine  
American Academy of Child and Adolescent Psychiatry  
American Academy of Dermatology Association  
American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Family Physicians  
American Academy of Home Care Physicians  
American Academy of Neurology  
American Academy of Ophthalmology  
American Academy of Otolaryngology – Head and Neck Surgery  
American Academy of Physical Medicine and Rehabilitation  
American Association for Hand Surgery  
American Association of Clinical Endocrinologists  
American Association of Neurological Surgeons  
American Association of Neuromuscular & Electrodiagnostic Medicine  
American College of Cardiology  
American College of Emergency Physicians  
American College of Gastroenterology  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Rheumatology  
American College of Surgeons  
American Congress of Obstetricians and Gynecologists  
American College of Phlebology  
American College of Physicians  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Group Association  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Psychiatric Association  
American Society for Clinical Pathology  
American Society for Gastrointestinal Endoscopy  
American Society for Reproductive Medicine

American Society of Anesthesiologists  
American Society of Cataract and Refractive Surgery  
American Society of Nephrology  
American Society of Nuclear Cardiology  
American Society of Plastic Surgeons  
American Urological Association  
College of American Pathologists  
Congress of Neurological Surgeons  
Heart Rhythm Society  
Infectious Diseases Society of America  
International Society for Clinical Densitometry  
Joint Council of Allergy, Asthma and Immunology  
Medical Group Management Association  
National Medical Association  
North American Spine Society  
Renal Physicians Association  
Society for Cardiovascular Angiography and Interventions  
Society for Vascular Surgery  
Society of American Gastrointestinal and Endoscopic Surgeons  
Society of Gynecologic Oncologists  
Society of Nuclear Medicine  
The Endocrine Society  
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  
Kansas 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  
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Oregon Medical Association  
Pennsylvania Medical Society  
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South Carolina Medical Association  
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Tennessee Medical Association  
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Vermont Medical Society  
Medical Society of Virginia  
Washington State Medical Association  
West Virginia State Medical Association  
Wisconsin Medical Society  
Wyoming Medical Society