

September 20, 2011

The Honorable Patty Murray
Co-Chair
Joint Select Committee on Deficit Reduction
448 Russell Senate Office Building
Washington, DC 20510

Dear Senator Murray:

On behalf of hundreds of thousands of physicians and other health care professionals, we are writing today to emphasize that it is critically important for the Joint Select Committee on Deficit Reduction to include a full repeal of the fatally flawed Medicare sustainable growth rate (SGR) formula in its final legislation.

As the Committee begins its deliberations, it is important to note that the current budget baseline assumes that massive physician payment cuts will be implemented, even though Congress has rejected less severe cuts 12 times over the past decade. This SGR deficit is being kept “off the books,” which is inconsistent with accurate budget practices. In fact, Members of Congress from both sides of the aisle have stated that the current law baseline does not reflect the policies that Congress has operated by in recent years. Any effort to stabilize our nation’s finances must be based on a true assessment of future expenditures.

Furthermore, continued delay in replacing the SGR has escalated the cost of permanent payment reform, from \$48 billion in 2005 to nearly \$300 billion today. We estimate additional short-term interventions will double the cost to approximately \$600 billion by 2016. With a 30 percent across-the-board payment cut in physician services scheduled for January 1, 2012, the implications of continuing this practice of simply putting off cuts to future years are clear. Continued access to care for our nation’s senior and disabled citizens is seriously threatened.

Other groups that have examined and proposed solutions to the nation’s budget crisis—including the Simpson-Bowles Commission, the Senate Gang of Six, American Enterprise Institute, Heritage Foundation, and the Center for American Progress—all acknowledged that the nation cannot continue to ignore the SGR deficit. These proposals called for permanent reform of Medicare physician payment system while at the same time significantly reducing the federal budget deficit.

The fiscally responsible course is clear. This is the time to repeal the SGR so that new payment models can be adopted that promote high quality, cost effective care.

Sincerely,

Aerospace Medical Association

AMDA – Dedicated to Long Term Care Medicine
American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
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 Academy of Sleep Medicine
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American Association of Physicians of Indian Origin
American College of Cardiology
American College of Chest Physicians
American College of Emergency Physicians
American College of Gastroenterology
American College of Occupational and Environmental Medicine
American College of Osteopathic Family Physicians
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Congress of Obstetricians and Gynecologists
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Group Association
American Orthopaedic Foot and Ankle Society
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Metabolic and Bariatric Surgery
American Society for Radiation Oncology
American Society for Surgery of the Hand
American Society of Cataract and Refractive Surgery
American Society of Clinical Oncology

American Society of General Surgeons
American Society of Hematology
American Society of Neuroradiology
American Society of Pediatric Nephrology
American Society of Transplant Surgeons
American Urological Association
College of American Pathologists
Congress of Neurological Surgeons
Heart Rhythm Society
Infectious Diseases Society of America
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
North American Spine Society
Renal Physicians Association
Society for Maternal and Fetal Medicine
Society for Vascular Surgery
Society of Hospital 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
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