

March 23, 2009

The Honorable Kent Conrad
Chairman, Committee on Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Conrad:

We urge you to support the Administration's FY 2010 Budget proposal that assumes the 'rebasings' of Medicare physician payments. This proposal recognizes the need to replace the sustainable growth rate (SGR) and avert the serious access crisis that looms as physicians face drastic payment cuts in the coming decade due to this failed formula.

The Administration's Budget essentially resets the Medicare physician payment baseline. It includes \$329.6 billion over 10 years "to account for expected Medicare payments to physicians." This assumes a more realistic baseline for physician spending and is the Administration's "best estimate of what the Congress has done in recent years." The new baseline would recognize the reality of future Medicare spending on physicians' services. The existing baseline unrealistically assumes drastic physician payment cuts in the future because of the flawed nature of the SGR formula and the budget gimmicks that have been used to avert the previous cuts.

Congress and the physician community now confront a 21 percent cut on January 1, 2010 and cuts for the next several years thereafter totaling 40 percent. To avert these future cuts that threaten patient access to care, Congress will have to intervene, thereby continually ignoring the current baseline. Since 2003, Congress has interceded six times to legislatively ignore the baseline and stop pending cuts. It is now clear that the current physician payment baseline is no longer useful in that it paints a false picture of actual Medicare spending.

Rebasing the physician payment baseline would reflect projected Medicare spending and would also represent a more realistic and transparent approach to addressing rising health care costs. After all, the primary purpose of a baseline is to provide policymakers a clear forecast of projected spending and taxpayer obligations.

Most importantly, rebasing would facilitate the passage of legislation to permanently reform the Medicare physician payment system to preserve the delivery of high quality, cost-effective care for our nation's seniors and disabled patients. **Therefore, as proposed in the Administration's Budget, we strongly urge the Budget Committee to support the adoption of a new Medicare baseline for physician payments in the FY 2010 Budget Resolution.**

Sincerely,

American Academy of Allergy, Asthma and Immunology
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 Hospice and Palliative Medicine
American Academy of Neurology Professional Association
American Academy of Ophthalmology
American Academy of Otolaryngic Allergy
American Academy of Otolaryngology—Head and Neck Surgery
American Academy of Physical Medicine and Rehabilitation
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Chest Physicians
American College of Emergency Physicians
American College of Mohs Surgery
American College of Obstetricians and Gynecologists
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Preventive Medicine
American College of Radiation Oncology
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Directors Association
American Medical Group Association
American Osteopathic Academy of Orthopedics
American Osteopathic Association
American Psychiatric Association
American Society for Gastrointestinal Endoscopy
American Society for Radiation Oncology
American Society for Reproductive Medicine
American Society of Addiction Medicine
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of Clinical Oncology
American Society of Hematology
American Society of Nephrology
American Society of Pediatric Nephrology

American Society of Plastic Surgeons
 American Society of Transplant Surgeons
 American Thoracic Society
 American Urogynecologic Society
 American Urological Association
 College of American Pathologists
 Congress of Neurological Surgeons
 Heart Rhythm Society
 Infectious Diseases Society of America
 Medical Group Management Association
 Renal Physicians Association
 Society for Cardiovascular Angiography and Interventions
 Society for Vascular Surgery
 Society of Critical Care Medicine
 Society of Gynecologic Oncologists
 Society of Hospital Medicine
 Society of Interventional Radiology
 Society of Thoracic Surgeons
 The Endocrine Society
 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
 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
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