asim
american society of internal medicine

Letter to House & Senat Leadership

January 25, 1996

The Honorable Bill Archer
1236 Longworth House Office Building
Washington DC, 20515

Dear Congressman Archer:

The American Society of Internal Medicine (ASIM) urges the inclusion of the following provisions in "deficit down payment" or debt ceiling legislation:

1. A single conversion factor (CF) and sustainable growth limit (SGR)--based on per capita GDP plus two percent--for the Medicare fee schedule. Implementation of a single CF is required to eliminate inequities in current payments. Under the updates that automatically went into effect on January 1, 1996, payments for primary care services were *reduced* by 2.3 percent, compared to a 3.8 percent increase for surgical procedures and a nominal .4% increase for other nonsurgical services. Surgical procedures are now paid 15.2% more than primary care services and 17.8% more than other nonsurgical services. A single CF would put all physician services back on a fair and level playing field. The replacement of the multiple volume performance standards with a single SGR based on GDP plus two percent is needed to reduce the prospects that there will be annual reductions in Medicare payments, as expected under current law. The single CF is included in the Balanced Budget Act of 1995 (BBA), the "Coalition" bill, H.R. 2530, and the administration's proposal.

2. Targeted relief from the self-referral laws, including an exemption for physicians who share a laboratory or other facility for the convenience of their patients. A shared facility exemption also enjoys strong bipartisan support, as evidenced by the fact that it was included in the BBA, H.R. 2530, and in legislation passed by Congress in 1992 (which was subsequently vetoed for unrelated reasons). Congress should also modify the law to enable physicians to provide general supervision of in-office ancillary services, instead of requiring that physicians be present for all lab work.. This change is consistent with congressional intent as expressed in the OBRA '93 conference report.. It is also included in the both the BBA and the House "Coalition" alternative.

3. Relief from antitrust and state solvency regulations that impede the development of provider-sponsored organizations. Such changes will enable physician-sponsored organizations to compete with insurance companies on the basis of quality and cost.

4. Exemption of physician office labs (POLSs) from CLIA. CLIA has increased costs and reduced access to POLs without any demonstrated improvement in quality.

Sincerely,

Alan R Nelson MD

Alan R. Nelson, MD
Executive Vice President

i:/wp/gov/mshoaf/merge

2011 PENNSYLVANIA AVENUE, NW • SUITE 800 • WASHINGTON, DC 20006-1808
TELEPHONE: (202) 835-2746 • FAX: (202) 835-0443 • E-MAIL: asim@mem.po.com

January 26, 1996

Letter to Congressional Leaders, Panetta, Min, Vladeck, and Shalala

The Honorable Bill Archer
1236 Longworth House Office Building
Washington, DC 20515

Dear Congressman Archer:

The undersigned organizations urge the inclusion in deficit reduction or debt ceiling legislation of provisions to mandate a single conversion factor (CF) and a sustainable growth rate (SGR)--based on per capita GDP plus two percent--for the Medicare physician fee schedule.

Implementation of a single CF is required to eliminate inequities in current payments. Under the updates that automatically went into effect on January 1, 1996, payments for primary care services were *reduced* by 2.3 percent, compared to a 3.8 percent increase for surgical procedures and a nominal .4% increase for other nonsurgical services. Surgical procedures are now paid 15.2% more than primary care services and 17.8% more than other nonsurgical services involving the same amount of work. A single CF would put all physician services back on a fair and level playing field. The single CF enjoys broad bipartisan support, as evidenced by its inclusion in the Balanced Budget Act of 1995, the "Coalition" bill (H.R. 2530), and the Administration's proposal. We believe that the single CF should be implemented as soon as possible without a transition.

The replacement of the multiple volume performance standards for the calculation of future annual updates with a single SGR based on GDP plus two percent is needed to reduce the prospects that there will be annual reductions in Medicare payment rates, as expected under current law.

We thank you in advance for your support of these proposals.

Sincerely,

American Academy of Allergy, Asthma, and Immunology
American Academy of Family Physicians
American Academy of Pediatrics
American Association of Clinical Endocrinologists
American College of Cardiology
American College of Gastroenterology
American College of Physicians
American College of Rheumatology
American Geriatrics Society
American Medical Directors Association
American Osteopathic Association
American Society for Gastrointestinal Endoscopy
American Society of Clinical Oncology
American Society of Hematology
American Society of Internal Medicine
College of American Pathologists
Renal Physicians Association