

April 10, 1998

The Honorable Nancy Johnson  
The U.S. House of Representatives  
343 Cannon House Office Building  
Washington, DC 20515

Dear Representative Johnson:

The Connecticut Society of Internal Medicine and the CT Academy of Family Physicians, representing 465 internists and 90 family physicians in your district, were disappointed to learn that in a Ways and Means Health Subcommittee hearing March 3 you suggested delaying implementation of resource-based practice expenses (RBPEs) because of concerns over HCFA's methodology.

We believe that HCFA's basic methodology is fundamentally sound and that HCFA is fully complying with its requirements under the Balanced Budget Act of 1997 (BBA). As the recently released GAO report to Congress on practice expense indicates: "There is no need for HCFA to start over and utilize different methodologies for creating new practice expense RVUs; doing so would needlessly increase costs and further delay implementation of the fee schedule revisions."

The GAO report also concluded that the use of expert panels is an acceptable method for estimating direct labor and other direct practice expenses, and that alternative methods have their own practical limitations that preclude their use in developing the proposed rule. HCFA is meeting the BBA mandate that it consider actual cost data and generally accepted accounting principles to the maximum extent practicable.

We strongly oppose any further delay in the implementation of RBPEs. As primary care physicians practicing in Connecticut's 6th district, we have witnessed firsthand the unfairness of the current system. Even with the down-payment that increased practice expense payments for office visits, a physician would have to provide 81 midlevel, established patient office visits before he or she would receive the practice expense payment that Medicare allows for one triple bypass surgery.

We believe that HCFA will be able to produce resource-based practice expenses, for the beginning of the phased in implementation on January 1 of next year, that will more accurately reflect relative differences in the actual costs of physician services than the current charge-based practice expense relative value units. Representatives from our groups would be happy to meet with you in your district office, at your convenience, to discuss our views on RBPEs.

Sincerely,

Paul Dolinsky, MD  
President, CT Society of Internal Medicine  
97 South Street, Suite 101  
West Hartford, CT 06110  
(860) 953-5151

Roy Zagieboylo, MD  
President, CT Academy of Family Physicians  
P.O. Box 30  
Bloomfield, CT 06002  
(860) 243-3977

