



AMERICAN COLLEGE OF PHYSICIANS
INTERNAL MEDICINE | *Doctors for Adults*®

November 2, 2011

Honorable Jeb Hensarling
U.S. House of Representatives
Washington, D.C. 20515

Honorable Patty Murray
U.S. Senate
Washington, D.C. 20510

Dear Co-Chairs Hensarling and Murray:

The American College of Physicians (ACP) urges the Joint Select Committee on Deficit Reduction and the 112th Congress to “go big” by reforming Medicare payments, including enacting a permanent end to scheduled Medicare sustainable growth rate (SGR) physician payment cuts. ACP, representing 132,000 medical student and internal medicine physician members, is the largest physician specialty society and second largest physician membership organization in the United States. Internal medicine physicians specialize in primary and comprehensive care of adults and adolescents.

The urgent need for Congress to act was demonstrated by today’s release of a Medicare final rule, announcing a 27.4 percent across-the-board cut in Medicare payments to doctors on January 1, 2012. This cut, although slightly less than previously estimated by the Centers for Medicare and Medicaid Services (CMS), would create devastating access problems for patients, and would more than offset modest improvements in primary care and other undervalued services also included in the rule.

Going *small*—enacting a short-term fix to prevent the January 1 cut—will add hundreds of billions of dollars to projected Medicare spending compared to a permanent solution, continue to endanger patient access to doctors and create roadblocks to promising new models to improve outcomes and lower the costs of care.

A framework for “going big” on physician payment reform would include:

- Stable payments to prevent scheduled cuts to physician services for five years and provide for higher annual updates for undervalued primary care services.
- Over the next five years, engage in expanded and accelerated implementation and evaluation of innovative payment and delivery models, including models being developed by the Center on Medicare and Medicaid Innovation, such as the Comprehensive Primary Care Initiative, Accountable Care Organizations (ACOs), Advance Payment and Pioneer ACOs and bundled payments.
- Create opportunities for physicians who voluntarily participate in such models, and/or other programs that meet designated criteria related to quality improvement, clinical effectiveness, and cost savings to earn higher updates.
- Establish a timetable, to be set by statute, for physicians to begin to transition over several years to the most effective models following the period of voluntary adoption and evaluation.

The need for a permanent physician payment solution has broad and deep bipartisan support. Today, HHS Secretary Kathleen Sebelius said “the pattern of threatened SGR cuts and last-minute Congressional rescues is in itself not a sustainable solution and must be remedied.” On October 25,

Senator Richard Lugar (R-IN) wrote to the Joint Select Committee on Deficit Reduction, urging “a full repeal of the SGR formula...to be paired with provisions outlining a clear path forward to comprehensive reform.” On October 6, Rep. Allyson Schwartz (D-PA) and 113 Members of Congress sent a bipartisan letter urging the Joint Select Committee on Deficit Reduction to recommend repeal of the SGR. On March 28, House Energy and Commerce Chair Fred Upton (R-MI) and ranking Democrat Henry Waxman (D-CA) wrote, “Unless we begin the process of developing a long-term solution, we will once again be faced with the unwanted choice of extending a fundamentally broken payment system or jeopardizing access for Medicare beneficiaries. We cannot allow either to happen.” And both the bipartisan Commission on Fiscal Responsibility and Reform and the Senate “Gang of Six” deficit reduction proposals also called for permanent reform of physician payments.

ACP agrees—now is the time for the 112th Congress to accomplish something historic that none of its predecessors could do: reach bipartisan agreement, as part of its deficit reduction plan, on a permanent solution to the SGR paired with transition to a better payment system.

Finally, you may recall that in September, the American College of Physicians provided http://www.acponline.org/advocacy/where_we_stand/medicare/super_comm9-12-2011.pdf the Joint Select Committee on Deficit Reduction with a comprehensive list of options to reduce federal health care spending in a socially and fiscally-responsible manner, yielding enough savings to permanently repeal the SGR and reform physician payments, fund other critical programs, and reduce the deficit.

We offer our assistance and commitment to achieve enactment of a framework to permanently end the cycle of Medicare SGR cuts to doctors and to transition to value-based payments.

Yours truly,



Virginia Hood, MBBS, MPH, FACP
President

CC: Honorable Max Baucus
Honorable John Boehner
Honorable Dave Camp
Honorable Sander Levin
Honorable Orrin Hatch
Honorable Mitch McConnell
Honorable Nancy Pelosi
Honorable Harry Reid
Honorable Fred Upton
Honorable Henry Waxman