

November 14, 2001

The Honorable Hillary Rodham Clinton
United States Senate
476 Russell Senate Office Building

Letter sent to entire U.S Senate.

Washington, DC 20510

Dear Senator Clinton:

Unless Congress acts before this session ends, **all** Medicare payments to **all** physicians and other health care practitioners will fall by 5.4% on January 1. This significant across-the-board cut could exacerbate existing access problems for Medicare beneficiaries, particularly in rural communities. **Consequently, the more than one million health care professionals represented by the undersigned organizations urge you to cosponsor The Medicare Physician Payment Fairness Act of 2001 which would trim the reduction in Medicare's 2002 physician conversion factor to 0.9% instead of 5.4%.**

The 5.4% conversion factor cut recently announced by the Centers for Medicare and Medicaid Services (CMS) stems from a fatally-flawed formula that penalizes physicians for economic downturns and from CMS data errors that have short-changed physicians by \$15 billion since 1998 and 1999. This would be the fourth broad-scale reduction in physicians' and other practitioners' fees since 1992 and would bring the average increase in Medicare fees between 1991 and 2002 down to just 1.1% a year—or 13% less than the government's own estimate of practice cost inflation.

The Medicare Physician Payment Fairness Act of 2001 (S.1660) sponsored by Sens. Jim Jeffords and John Breaux would reduce the size of the penalty in 2002 and create an opportunity for Congress to make systemic changes in the physician payment update system next year. Specifically, it would reduce the current \$38.26 conversion factor by 0.9% in 2002. In addition, it would direct the Medicare Payment Advisory Commission (MedPAC) to make further refinements in the Commission's earlier proposal to eliminate the expenditure target or Sustainable Growth Rate (SGR) which now helps determine annual updates in the conversion factor.

Over the last 10 years, physicians have been inundated with expensive new federal requirements and the gap between payments and costs has already led to access problems for Medicare beneficiaries in Atlanta, Phoenix, Albuquerque, Annapolis, Denver, Austin, Spokane, northern California and Idaho. Experience with Medicaid has already shown the danger of unrealistic payment rates. Medicare is not immune from similar problems as has been made abundantly clear by Medicare+Choice plans' continued exodus from the program despite a guaranteed pay increase of at least 2% a year. Some 85% of elderly and disabled Americans rely on fee-for-service Medicare and for an increasing number, there is no other option available. **Please support the Medicare Physician Payment Fairness Act to ensure that our elderly and disabled patients can continue to receive the care they deserve and depend on.**

Sincerely,

American Academy of Child and Adolescent Psychiatry
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 Neurology
American Academy of Ophthalmology
American Academy of Otolaryngology – Head and Neck Surgery
American Academy of Pediatrics
American Academy of Physical Medicine and Rehabilitation
American Academy of Physician Assistants
American Academy of Sleep Medicine
American Association for Thoracic Surgery
American Association for Vascular Surgery
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American Association of Neurological Surgeons
American Association of Nurse Anesthetists
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Chest Physicians
American College of Emergency Physicians
American College of Nuclear Physicians
American College of Obstetricians and Gynecologists
American College of Osteopathic Family Physicians
American College of Osteopathic Surgeons
American College of Physicians-American Society of Internal Medicine
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Association
American Medical Group Association
American Occupational Therapy Association
American Optometric Association
American Orthopaedic Foot and Ankle Society
American Osteopathic Association
American Physical Therapy Association
American Podiatric Medical Association
American Psychiatric Association
American Society for Gastrointestinal Endoscopy
American Society for Reproductive Medicine
American Society for Therapeutic Radiology and Oncology

American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of Clinical Oncology
American Society of Clinical Pathologists
American Society of General Surgeons
American Society of Hematology
American Society of Plastic Surgeons
American Society of Transplant Surgeons
American Speech-Language-Hearing Association
American Thoracic Society
American Urogynecological Society
American Urological Association
Association of American Medical Colleges
College of American Pathologists
Congress of Neurological Surgeons
Infectious Diseases Society of America
Joint Council of Allergy, Asthma and Immunology
Medical Group Management Association
National Association for Medical Direction of Respiratory Care
National Coalition for Quality Diagnostic Imaging Services
North American Society of Pacing and Electrophysiology
North American Spine Society
Renal Physicians Association
Society for Cardiac Angiography and Interventions
Society for Vascular Surgery
Society of Critical Care Medicine
Society of Diagnostic Medical Sonography
Society of General Internal Medicine
Society of Gynecologic Oncologists
Society of Nuclear Medicine
Society of Thoracic Surgeons
Society of Vascular Technology
The Endocrine Society