



May 8, 2012

The Honorable Allyson Schwartz
1227 Longworth House Office Building
Washington, DC 20515

The Honorable Joe Heck
132 Cannon House Office Building
Washington, DC 20515

Dear Representatives Schwartz and Heck:

On behalf of the American College of Physicians, I am writing to express our enthusiastic endorsement of the Medicare Physician Payment Innovation Act of 2012. ACP is the nation's largest specialty society, and second largest physician membership organization, representing 132,000 internal medicine specialists and medical student members. Internal medicine specialists provide primary and comprehensive care to adolescents and adults.

The Medicare Physician Payment Innovation Act will achieve five essential policy objectives:

- 1. Repeals the Sustainable Growth Rate (SGR), fully paid for by using money that has been set aside for military operations that the administration says are not needed and will never be spent.** To our knowledge, this is the first and only bipartisan bill to repeal the SGR in a fiscally responsible way.
- 2. Protects access to care for seniors, disabled persons, and military families, by eliminating all scheduled SGR cuts, including a nearly 30 percent cut on January 1, 2013.** Patients need the certainty of knowing that the government will not impose cuts that could force many doctors out of the Medicare and TriCare programs. (TriCare updates are set by the Medicare SGR formula, so military families are at the same risk of losing access to doctors as persons enrolled in Medicare because of the scheduled cuts).
- 3. Stabilizes payments through 2018, with no cuts for the next six years and positive updates to all physicians during 2014-2017.** The Medicare Physician Payment Innovation Act would continue current Medicare rates through 2013; provide modest positive updates of 0.5 percent to all physicians in calendar years 2014-2017, and then extend the 2017 rates through December 31, 2018. This sustained period of stability is needed to ensure access to care, while allowing time for Medicare to work with physicians to test, disseminate and prepare for adoption of new patient-centered payment and delivery models.
- 4. Provides a higher update for undervalued primary, preventive and coordinated care services, whether delivered by primary care physicians or by other specialists.** The bill provides a 2.5 percent annual update in calendar years 2014-2017 for designated primary care, coordinated care, and preventive services codes when provided by physicians for whom 60 percent of Medicare allowable charges come from these designated codes. Such incentives are critical to improving care coordination and

addressing historical payment inequities that contribute to severe shortages in internal medicine, family medicine, internal medicine subspecialties, neurology, and other fields

- 5. Accelerates development, evaluation, and transition to new payment and delivery models, developed with input by the medical profession and with external validation.** ACP and other physician organizations have been directly involved in advancing new models of payment and delivery that are centered on patients' needs, including working with CMS, private payers, business and consumer groups to broadly test the Patient-Centered Medical Home model, which already is showing success in improving outcomes and reducing costs. The six-and-a-half years established by the bill for CMS to develop, evaluate, and then adopt at least five new models, including an alternative fee-for-service option for physicians who participate in designated quality improvement programs, will help ensure sufficient time for CMS and Congress to "get it right" in determining the best models for patients and for physicians to transition to the new models by 2019. Physicians who participate in the new models will likely have opportunities to share in savings and/or be paid more appropriately for work involved in care coordination and achieving good patient outcomes. Although ACP generally believes that penalties for non-adoption are not advisable, given the daunting challenge of getting all physicians to transition to one of the new models, we know that the goal of this bill is for all physicians to have an opportunity to participate in a successful model that best meets their own practice circumstances, thereby avoiding any penalties. It will be important for Congress to hold CMS accountable for ensuring that a viable model is available for all physicians in all specialties, so that physicians are not subject to penalties because the agency was unable to develop an appropriate and workable model for them.

In conclusion, ACP believes that the bipartisan Medicare Physician Payment Innovation Act will benefit seniors, disabled persons, and military families by repealing the SGR and its scheduled cuts; stabilizing updates during a transition period; creating incentives for physicians who provide comprehensive primary, preventive and care coordination services, and creating a pathway to new payment and delivery models to achieve better outcomes for patients and savings to the program. We strongly urge Congress to pass the bill before the next scheduled SGR cut on January 1, 2013.

Yours Truly,



David L. Bronson, MD, FACP
President