

August 2, 2001

Honorable Nancy L. Johnson
United States House of Representatives
2113 Rayburn House Office Building
Washington, DC 20515

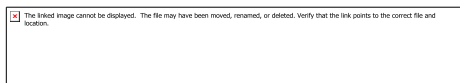
Dear Representative Johnson:

Thank you for sharing a summary of the Medicare Regulatory Reform Act of 2001 and providing this opportunity for the American College of Physicians—American Society of Internal Medicine (ACP—ASIM) to communicate the following views. ACP—ASIM is the nation's largest medical specialty society, and the second largest medical organization in the United States consisting of 115,000 physicians and medical students.

Although we cannot endorse the bill without seeing the actual legislative language, our review of the summary suggests that the bill would begin to address some of the concerns that physicians have about the current Medicare program. Internists' concerns include: the complexity of the current regulatory process, inconsistent and unclear information from contractors, and an audit system that emphasizes punitive sanctions and payment recovery over education and prevention to prevent errors in the first place. We appreciate your efforts and those of Representative Stark to introduce legislation to begin to address our members' concerns. However, our review of the summary also suggests that the bill likely will fall short of the more far-reaching reforms in the Medicare Education and Regulatory Fairness Act of 2001 (MERFA), H.R. 868, particularly as they relate to the Medicare audit process.

The College will share further comments once we have reviewed the actual legislative language. We look forward to working with you and Representative Stark, and with the 231 co-sponsors of MERFA, on enactment of legislation that will truly make Medicare a more effective and responsive program, based on the reforms that are in the Johnson/Stark Medicare Regulatory Reform Act of 2001 as well as the additional reforms that are in MERFA.

Sincerely,



William J. Hall, MD, FACP
President