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Congress of the United States

U.S. House of Representatives

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MINORITY STAFF DIRECTOR

November 18, 2009

J. James Rohack, MD
President
American Medical Association
515 N. State Street
Chicago, IL 60654

Dear Dr. Rohack,

Every Member of Congress and every doctor in America agree that Medicare maintains an unreasonable payment system for physicians. Since 2002, physicians have faced annual cuts due to the flawed Sustainable Growth Rate (SGR). This is unacceptable and why Republicans have, in a fiscally responsible manner, stepped in to defend doctors serving Medicare patients.

Tomorrow, Congress is expected to pass H.R. 3961. We support the intent of this act to stop the 21 percent payment cut you face next year and the roughly 5 percent cut projected for each of the next several years thereafter. What we cannot support is the deficit spending in this legislation. According to the Congressional Budget Office (CBO), this bill would increase the federal deficit by more than \$210 billion. The Washington Post on Sunday, November 15, 2009, rightly noted that certain budget gimmicks hide the true deficit impact, which is closer to \$300 billion.

In discussing a similar bill Senator Kent Conrad (D-ND), the Senate Budget Committee Chairman, said "I don't agree with just adding that amount to the debt." Senator Evan Bayh (D-IN), said he could not support such a measure "at a time when we're hemorrhaging red ink." We agree.

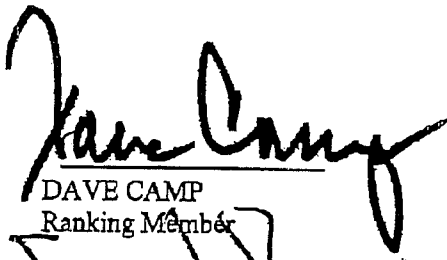
In its current form, H.R. 3961 asks lawmakers to borrow from our children's future to pay doctors today without solving the underlying problem with the SGR. While H.R. 3961 would hit the reset button on the projected cuts and wipe the slate clean, physicians could see their Medicare rates slashed again in 2011. Just like the SGR, the Democrat's new "Target Growth Rate" would:

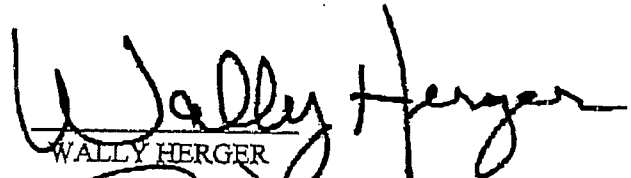
- o Allow physician payment rates to be slashed if government-set spending targets are exceeded (as they have been every year since 2001);
- o Tie spending targets to the Gross Domestic Product (GDP). So physicians would continue to be unfairly punished when the economy slows; and
- o Tie physician reimbursement rates to utilization, continuing to punish providers who focus on delivering high-quality care while rewarding those who focus on volume.


Republicans will offer you and the American taxpayers a better policy: a 2% increase in your Medicare payment rates in each of the next four years that is fully paid for, primarily by implementing real medical liability reform, a long-time priority of the AMA. In adopting lawsuit reforms modeled after successful programs in Texas and California – our two largest states – CBO says that taxpayers stand to save \$54 billion, health insurance premiums will be reduced, physicians can stop looking over their shoulder out of fear of getting sued by overzealous trial lawyers looking to get rich quick, and we can save enough money to ensure you can continue treating and caring for our seniors. The Republican bill will ensure you receive fair compensation for your work until we can pay for and afford the long-term solution you deserve.

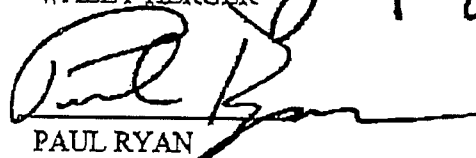
Americans across the country are making sacrifices to help our nation weather a weakened economy. Choosing between doctors and the long term financial health of our nation is no choice at all; it is simply an act of irresponsibility. It is our sincere hope that your organization, the American Medical Association, will join Republicans and the American people in recognizing the dire economic and financial position we face and support this financially sound fix to the flawed SGR.

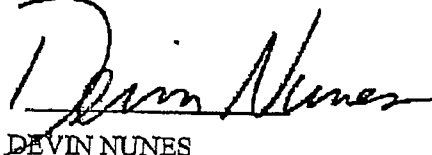
Sincerely,



DAVE CAMP
Ranking Member


WALLY HERGER


SAM JOHNSON


PAUL RYAN



DEVIN NUNES

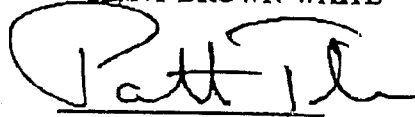

PETER ROSKAM

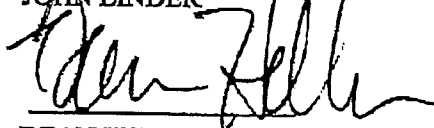

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