



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

September 20, 2007

Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Senator Reid:

On behalf of the American College of Physicians (ACP), I am writing to express our deep concern and disappointment about reports that the pending SCHIP re-authorization will go forward without addressing several issues that are critical to access to care for Medicare beneficiaries. ACP is the largest specialty physician medical society--and second largest physician membership organization--in the United States, representing 124,000 internal medicine physicians and medical student members.

The College will continue to urge members of Congress and the President to agree to legislation that reauthorizes and improves coverage for children under SCHIP. We also believe that it is **equally important** that you work with the Senate Finance Committee and your colleagues in the House leadership to reach prompt agreement on Medicare legislation to preserve and improve access for America's seniors. **Waiting until near the end of the year to address pending Medicare physician payment cuts, as Congress has repeatedly done in the past, will expose patients and their physicians to an unnecessary degree of uncertainty over whether Medicare payments will be sufficient to prevent reductions in access.**

An acceptable Medicare bill would, *at a minimum*, include the following policies:

1. Cumulative physician payment cuts of 15% in 2008 and 2009 under traditional Medicare must be replaced with positive annual updates of no less than 0.5 percent.

The vast majority of Medicare beneficiaries depend on doctors in **traditional** Medicare for care. Congress should act--**sooner rather than later**--to avert a 15% cut in payments to these doctors over the next two years that will have a devastating impact on access.

Even with a very modest 0.5% increase in 2008 and 2009, Medicare payments to doctors will still be far below the rising costs of providing care. Anything less than two years of positive updates will accelerate the trend of physicians leaving practice or limiting how many Medicare patients they can see, particularly in primary care specialties that are already facing a physician shortage. Studies show that patients' access to a primary care physician is associated with better outcomes and lower costs.

2. Such positive updates must be paid for without budget gimmicks that will cause bigger cuts and higher required budget offsets in later years.

As a result of past legislative decisions to pay for physician payment updates by assuming greater cuts in future years, the Congressional Budget Office's "score" for fixing the problem has tripled and is now over \$250 billion. Continuing this fiscally irresponsible policy will increase the price tag for a permanent solution and the attendant need to offset the costs with contentious cuts in other programs under pay-go rules.

3. Include a Medicare medical home demonstration that will lead to long-term payment reforms to support preventive and coordinated care by physicians.

The SCHIP bill passed by the House of Representatives includes a medical home demonstration project for up to 500 physician practices nationwide, expanding upon a more limited demonstration enacted by the 109th Congress. This demonstration would test one of the most promising approaches to improving access and quality, particularly for beneficiaries in under-served communities and those with multiple chronic diseases.

We also urge you to work for enactment of a bill that incorporates several other important benefit improvements: expand Medicare coverage for preventive benefits, reduce cost-sharing for mental health, and continue the floor on geographic payment adjustments for physician services.

America's children and seniors *both* deserve the best health care possible. Congress must enact legislation to maintain SCHIP coverage for children. Congress must also preserve and improve access to care for senior and disabled patients under traditional Medicare by enacting positive physician payment updates for the next two years, paying for those updates without budget gimmicks, mandating an expanded demonstration of the Medicare medical home demonstration, and making other improvements in Medicare.

Our physician members and their patients will expect nothing less.

Yours truly,



David C. Dale, MD, FACP
President



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Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Dear Senator McConnell:

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September 20, 2007

Honorable Max Baucus
Chair
Senate Finance Committee
United States Senate
Washington, D.C. 20510

Dear Senator Baucus:

On behalf of the American College of Physicians (ACP), I am writing to express our deep concern and disappointment about reports that the pending SCHIP re-authorization will go forward without addressing several issues that are critical to access to care for Medicare beneficiaries. ACP is the largest specialty physician medical society--and second largest physician membership organization--in the United States, representing 124,000 internal medicine physicians and medical student members.

The College will continue to urge members of Congress and the President to agree to legislation that reauthorizes and improves coverage for children under SCHIP. We also believe that it is **equally important** that you work with Senator Grassley, your other colleagues on the Senate Finance Committee, and the Senate leadership to promptly report Medicare legislation to preserve and improve access for America's seniors.

Waiting until near the end of the year to address pending Medicare physician payment cuts, as Congress has repeatedly done in the past, will expose patients and their physicians to an unnecessary degree of uncertainty over whether Medicare payments will be sufficient to prevent reductions in access. An acceptable Medicare bill should, *at a minimum*, include the following policies:

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