



November 20, 2014

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Sirs and Madam:

On behalf of the American College of Physicians (ACP), I am writing to urge you to take action in this post-election lame-duck session of Congress on two issues that are critically important to ensuring high quality, accessible and affordable care for patients enrolled in Medicare and Medicaid respectively: enactment of the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* (H.R. 4015/S. 2000), and continuation of the Medicaid Primary Care Pay Parity program, which is set to expire on January 1, 2015.

The ACP is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 141,000 internal medicine physicians (internists), related subspecialists, and medical students committed to advancing the science and practice of medicine. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

For more than a decade, ACP and other physician and patient advocacy organizations have been urging Congress to repeal Medicare's Sustainable Growth Rate (SGR) formula, replacing it with reforms to Medicare's physician payment system that incentivize patient-centered, cost-effective, and accessible care. Instead, Congress has repeatedly enacted expensive, short term "patches" that have only served to block the immediate SGR cuts but did not advance real payment reform. **But unlike past legislative years, Congress is at a juncture today where it has finally achieved bipartisan, bicameral consensus on legislation to achieve these essential goals:** the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014*. ACP applauds all those involved, on both sides of the aisle, for working so diligently to finally bring about comprehensive SGR-repeal legislation that has the support of so many. It now rests in the hands of Congressional leaders to get it over the finish line by completing action before the 113th Congress adjourns.

This bill, which was the product of months of hearings, consideration and debate, has been endorsed by more than 600 physician organizations, including ACP, by the chairs and ranking members of the Senate

Finance, House Ways and Means, and Energy and Commerce Committees, by physician members of Congress, and by many other patient, health care provider, and business advocacy groups.

By repealing the SGR, this legislation removes the single greatest roadblock to achieving real payment reform. But it does much more than this: it creates powerful incentives for physicians to adopt innovative payment and delivery models, like Patient-Centered Medical Homes, to improve the quality, accessibility, and cost-effectiveness of patient care. Our physician-members are ready and willing to do their part by embracing new models of payment and delivery, but they need Congress to do its part by passing the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* this year.

This opportunity to finally fix a broken physician payment system, once and for all, may very well be lost if Congress instead puts off action until the new Congress convenes in January:

- In a new Congress, the bill would have to be re-introduced and approved by the committees of jurisdiction and passed by the March 31 deadline before the next SGR cut occurs. It is almost impossible to conceive that this could be accomplished in less than three months under regular order. Most likely, another expensive patch would be enacted, creating instability in the Medicare program while Congress starts over again in crafting a new bill.
- Even if such a new bill reflected much of what is in the *SGR Repeal and Medicare Provider Payment Modernization Act*, any changes from the current legislation could unravel the carefully negotiated bipartisan and bicameral consensus achieved in this Congress and the virtually unanimous support for the legislation among the physician community and other stakeholders.
- The Congressional Budget Office's (CBO) estimate to replace the SGR likely will increase. CBO's new estimate for the cost of the consensus legislation is now \$144 billion, up from the last estimate of \$138 billion.

It is time for this Congress to put an end to the endless debate over the SGR and fix a broken physician payment system, by enacting the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* in the lame duck session.

It is also critically important that Congress reauthorize what is often referred to as the *Medicaid Primary Care Pay Parity Program*, as proposed in the *Ensuring Access to Primary Care for Women & Children Act*, H.R. 5723 and S. 2694. The Medicaid Primary Care Pay Parity program ensures that physicians practicing in designated primary care specialties and related subspecialties continue to receive Medicare-level reimbursement rates for providing primary care and immunization services to patients enrolled in Medicaid. Well-established research has shown that low Medicaid payment, which in many states has historically been well below the costs of delivering care, has been a major reason physicians are reluctant to participate in the program.

Maintaining access to primary care and related medical and pediatric subspecialists, by ensuring comparable rates under Medicare and Medicaid for these services, is especially critical at a time when the population enrolled in Medicaid is surging. These comparable Medicaid payments serve as incentives for eligible physicians to maintain or increase their Medicaid patient population in all states, whether or not a given state has elected to expand its Medicaid program. A recent survey of a representative sample of ACP members found that almost half of those participating in the current Medicaid Primary Care Pay Parity Program would have to reduce the number of Medicaid patients they see, or drop out of the program altogether, if the program is allowed to expire at the end of this year.

We appreciate your leadership on advancing real reforms in Medicare and Medicaid physician payments, and urge you to: (1) complete action in the lame duck session on the *SGR Repeal and Medicare Provider Payment Modernization Act of 2014* and (2) reauthorize the Medicaid Primary Care Pay Parity Program for at least two additional years beyond 2014. We stand ready to assist you in achieving these goals.

Sincerely,

A handwritten signature in black ink that reads "David A. Fleming MD". The signature is written in a cursive, flowing style.

David A. Fleming, MD, MA, MACP
President

CC:

Chairs and Ranking Members of Senate Budget and Finance Committees

Chairs and Ranking Members of House Budget, Energy & Commerce and Ways & Means Committees