

September 10, 2007

The Honorable Harry Reid  
Majority Leader  
United States Senate  
S-221 Capitol Building  
Washington, DC 20510

Dear Majority Leader Reid:

**On behalf of the undersigned organizations, we urge you to include two years of positive Medicare physician payment updates in a final SCHIP conference agreement.** If Congress does not act, the sustainable growth rate (SGR) will cut Medicare payments to physicians and other health professionals by 10 percent on January 1, 2008. For physicians and the 81% of beneficiaries in traditional Medicare, the time for action is now. Congress has a chance to break with business as usual and include Medicare physician payment relief in the SCHIP conference agreement.

Prior to the August recess, the U.S. House of Representatives took action to ensure our seniors retain access to high quality health care with the passage of H.R. 3162, the CHAMP Act. In addition to reauthorizing the SCHIP program, the bill replaces 15 percent cuts in Medicare payment rates for all physician services over the next two years with positive updates of 0.5 percent. We call upon the U.S. Senate to ensure funding for positive Medicare physician payment updates is included in final SCHIP reauthorization legislation.

According to an American Medical Association survey, if payments are cut as projected in 2008, 60 percent of physicians will have to limit their acceptance of new Medicare patients, and two-thirds of physicians plan to defer the purchase of information technology. These projected payment cuts will destabilize the Medicare program and erode access to care for America's seniors.

Physicians and other health professionals on the front lines of health care face a devastating 10% cut in January while other Medicare providers under current law, including private Medicare Advantage plans, receive annual automatic updates. This imbalance is unsustainable.

Temporary Congressional interventions to prevent past cuts, while necessary, have not kept up with increases in medical practice costs and have pushed the cost of fixing the problem to future years, making a meaningful long-term resolution more and more expensive. Physician payment rates are about the same today as they were in 2001, while practice costs have increased nearly 20 percent and will increase another 20 percent over

next nine years according to the government's conservative Medicare Economic Index (MEI). Over this same period, physician payments are scheduled to be cut by 40 percent. Patient access to care will undoubtedly suffer.

We are concerned that delaying until later this year action to replace the next two years of cuts with positive updates will put Medicare physicians, other health professionals and beneficiaries in an untenable position of uncertainty about Congress' commitment to provide needed relief in traditional Medicare.

We strongly urge the U.S. Senate to take immediate action to fulfill the Medicare program's promise to America's seniors to ensure their continued access to high quality health care.

Sincerely,

Alaska State Medical Association  
Arizona Medical Association  
Arkansas Medical Society  
California Medical Association  
Colorado Medical Society  
Connecticut State Medical Society  
Florida Medical Association  
Hawaii Medical Association  
Idaho Medical Association  
Illinois State Medical Society  
Indiana State Medical Association  
Iowa Medical Society  
Kansas Medical Society  
Kentucky Medical Association  
Louisiana State Medical Society  
Maine Medical Association  
Massachusetts Medical Society  
MedChi, The Maryland State Medical Society  
Medical Association of Georgia  
Medical Association of the State of Alabama  
Medical Society of Delaware  
Medical Society of New Jersey  
Medical Society of the District of Columbia  
Medical Society of the State of New York  
Medical Society of Virginia  
Michigan State Medical Society  
Minnesota Medical Association  
Mississippi State Medical Association  
Missouri State Medical Association  
Montana Medical Association

Nebraska Medical Association  
Nevada State Medical Association  
New Hampshire Medical Society  
New Mexico Medical Society  
North Carolina Medical Society  
North Dakota Medical Association  
Ohio State Medical Association  
Oklahoma State Medical Association  
Oregon Medical Association  
Pennsylvania Medical Society  
Rhode Island Medical Society  
South Carolina Medical Association  
South Dakota State Medical Association  
Tennessee Medical Association  
Utah Medical Association  
Vermont Medical Society  
Washington State Medical Association  
West Virginia State Medical Association  
Wisconsin Medical Society  
Wyoming Medical Society

American Academy of Allergy, Asthma and Immunology  
American Academy of Child and Adolescent Psychiatry  
American Academy of Dermatology Association  
American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Family Physicians  
American Academy of Hospice and Palliative Medicine  
American Academy of Neurology  
American Academy of Nurse Practitioners  
American Academy of Ophthalmology  
American Academy of Otolaryngology- Head and Neck Surgery  
American Academy of Physical Medicine and Rehabilitation  
American Academy of Physician Assistants  
American Association for the Study of Liver Diseases  
American Association of Clinical Endocrinologists  
American Association of Clinical Urologists  
American Association of Neurological Surgeons  
American Association of Nurse Anesthetists  
American Association of Orthopaedic Surgeons  
American Chiropractic Association  
American College of Allergy, Asthma and Immunology  
American College of Chest Physicians  
American College of Emergency Physicians  
American College of Gastroenterology  
American College of Obstetricians and Gynecologists

American College of Osteopathic Family Physicians  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Preventative Medicine  
American College of Radiology  
American College of Rheumatology  
American College of Surgeons  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Directors Association  
American Nurses Association  
American Optometric Association  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Psychiatric Association  
American Psychological Association  
American Podiatric Medical Association  
American Rhinologic Society  
American Society for Clinical Pathology  
American Society for Gastrointestinal Endoscopy  
American Society for Reproductive Medicine  
American Society for Therapeutic Radiology and Oncology  
American Society of Addiction Medicine  
American Society of Anesthesiologists  
American Society of Breast Surgeons  
American Society of Cataract and Refractive Surgery  
American Society of Clinical Oncology  
American Society of General Surgeons  
American Society of Hematology  
American Society of Interventional Pain Physicians  
American Society of Nephrology  
American Society of Pediatric Nephrology  
American Society of Plastic Surgeons  
American Speech-Language-Hearing Association  
American Thoracic Society  
American Urogynecologic Society  
American Urological Association  
Association of American Medical Colleges  
Child Neurological Society  
College of American Pathologists  
Congress of Neurological Surgeons  
Infectious Diseases Society of America  
Joint Council of Allergy, Asthma and Immunology  
Marshfield Clinic

Medical Group Management Association  
National Association of Social Workers  
National Rural Health Association  
Renal Physicians Association  
Society for Cardiovascular Angiography and Interventions  
Society for Vascular Surgery  
Society of Critical Care Medicine  
Society of Gynecologic Oncologists  
Society of Hospital Medicine  
Society of Thoracic Surgeons  
The Endocrine Society