



**A Coalition of 13 Medical Societies Representing
170,000 Specialty Physicians in the United States**

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The Honorable Michael Bilirakis
Chair, Subcommittee on Health
House Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Bilirakis:

The Alliance of Specialty Medicine greatly appreciates the House of Representative's inclusion of a physician payment provision in H.R. 1, the "Medicare Prescription Drug and Modernization Act of 2003", which provides interim relief for the anticipated 2004 physician payment reductions by guaranteeing no less than a 1.5% update for 2004 and 2005. The provision also includes a change to the current formula that allows for a 10-year rolling average of the Gross Domestic Product (GDP). However, we are deeply concerned, that beginning in 2006, we will revert to the currently flawed Sustainable Growth Rate (SGR) formula and these positive updates will be followed by years of deep reductions to pay for this short-term relief. Therefore, while we appreciate your continued efforts to address the pending reductions, the Alliance encourages you as a conferee to find a longer-term solution by addressing the fundamental flaws in the current formula, and we stand ready to work with you and your colleagues in this effort.

While we understand that budgetary constraints may impede the Congress from including a total repeal of the current SGR formula in the conference agreement, we continue to advocate for an update formula that is more predictable and recognizes the true costs of providing physician services to Medicare beneficiaries.

Once again, the Alliance wishes to express its gratitude for the very significant personal commitment that you and your excellent staff members have invested in this issue. We appreciate your accessibility and willingness to continue to work with us on developing a solution.

For further information, please contact the Co-Chairs of the Medicare workgroup for the Alliance of Specialty Medicine, Nancey McCann at nmccann@ascrs.org or (703) 591-2220 or Ann LaBelle at alabelle@acep.org or (202) 728-0610.

Sincerely,

American Academy of Dermatology Association
American Association of Neurological Surgeons/Congress of Neurological Surgeons
American Association of Orthopaedic Surgeons
American College of Cardiology
American College of Emergency Physicians
American College of Radiology Association
American Gastroenterological Association
American Society for Clinical Pathology
American Society for Therapeutic Radiology and Oncology
American Society for Cataract & Refractive Surgery
American Urological Association
National Association of Spine Specialists
Society of Thoracic Surgeons