



**A Coalition of 13 Medical Societies Representing
200,000 Specialty Physicians in the United States**

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June 3, 2005

The Honorable Jon L. Kyl
730 Hart Senate Office Building
Washington, DC 20510

The Honorable Debbie A. Stabenow
133 Hart Senate Office Building
Washington, DC 20510

Dear Senator Kyl and Senator Stabenow:

On behalf of the Alliance of Specialty Medicine, the undersigned national medical specialty societies are contacting you to express our strong support for S. 1081, the Preserving Patient Access to Physicians Act that you introduced on May 19.

In your introductory statement for the bill, you mentioned the 2005 Medicare Trustees Report that projects a cumulative 26 percent reduction in Medicare payments for physician services, from 2006 to 2011. The cost of running a practice and furnishing care to older patients will rise approximately 15 percent during the same period, however. This is unsustainable for most physicians and unfortunately will force many of them to reconsider participation in the Medicare program while also jeopardizing access to care for older patients.

The time for action is now, this year, before sharp cuts take effect next year. Under the bill, a 2.7 percent update would apply to payments in 2006, and a 2.6 percent update would apply in 2007. Granted, this legislation provides only temporary relief from the Sustainable Growth Rate (SGR) formula at the heart of the problem. But this short-term relief is critically important. Your bill would stabilize the Medicare physician payment system while granting Congress two years in which to enact legislation that repeals the SGR and replaces it with a method that better reflects the cost of practicing medicine, such as the Medicare Economic Index (MEI).

The Alliance is also supporting H.R. 2356, the Shaw-Cardin bill that would require a 2.7 percent update in 2006 and then repeal of the SGR in 2007, at which time the MEI would begin being used for calculating updates Medicare payment for physician services.

For more information about the Alliance's position on SGR reform and Medicare physician reimbursement, please contact Nancey McCann at nmccann@ascrs.org or 703-591-2220, or Cherie McNett at cmcnett@auanet.org or 410-727-1100, the co-chairs of the Alliance's Medicare Work Group.

Sincerely,

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