



Michael D. Maves, MD, MBA, Executive Vice President, CEO

March 17, 2009

The Honorable Tom Price, MD
U.S. House of Representatives
424 Cannon House Office Building
Washington, DC 20515

Dear Representative Price:

The American Medical Association (AMA) wishes to express our support for your balance billing legislation, H.R. 1384, and applauds your leadership in addressing Medicare physician payment shortfalls.

Under current law, a limiting charge of 115 percent of the non-participating physician fee schedule amount (which is 95 percent of the participating fee schedule amount) applies to non-participating physicians under Medicare who balance bill their patients. H.R. 1384 would allow Medicare non-participating physicians to balance bill patients by lifting the 115 percent limiting charge for non-participating physicians who, in conformance with criteria set forth in the legislation, provide advance notice to patients of their non-participation and non-acceptance of assignment. The bill would also preempt state laws that prohibit balance billing.

Repeal of balance billing limits would be an important step forward in protecting physicians against the steep payment cuts they face under Medicare as well as from other payers, especially those payers with fee schedules that are tied to cuts in Medicare physician payment rates. Currently, physicians face a 21 percent scheduled for January 1, 2010, along with 40 percent in payment cuts over the coming decade. Yet, medical practice costs will increase about 20 percent during this same time period.

Physicians cannot absorb these steep cuts. In an AMA survey, 60 percent of responding physicians said they would have had to limit the number of new Medicare patients they treat if steep payment cuts scheduled for January and July 2008 had not been stopped by Congress. Further, more than half of the surveyed physicians said they could not have met their current payroll and would have been forced to reduce their staff. H.R. 1384 would alleviate some of the impact of these cuts and help ensure patient access to health care services.

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We appreciate your introduction of this critical balance billing legislation, and we look forward to working with you to move this and other key legislative proposals to help resolve the looming Medicare physician payment crisis.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Maves". The signature is written in a cursive, flowing style.

Michael D. Maves, MD, MBA