

September 20, 2011

The Honorable Jeb Hensarling  
Co-Chair  
Joint Select Committee on Deficit Reduction  
129 Cannon House Office Building  
Washington, DC 20515

Dear Representative Hensarling:

On behalf of hundreds of thousands of physicians and other health care professionals, we are writing today to emphasize that it is critically important for the Joint Select Committee on Deficit Reduction to include a full repeal of the fatally flawed Medicare sustainable growth rate (SGR) formula in its final legislation.

As the Committee begins its deliberations, it is important to note that the current budget baseline assumes that massive physician payment cuts will be implemented, even though Congress has rejected less severe cuts 12 times over the past decade. This SGR deficit is being kept “off the books,” which is inconsistent with accurate budget practices. In fact, Members of Congress from both sides of the aisle have stated that the current law baseline does not reflect the policies that Congress has operated by in recent years. Any effort to stabilize our nation’s finances must be based on a true assessment of future expenditures.

Furthermore, continued delay in replacing the SGR has escalated the cost of permanent payment reform, from \$48 billion in 2005 to nearly \$300 billion today. We estimate additional short-term interventions will double the cost to approximately \$600 billion by 2016. With a 30 percent across-the-board payment cut in physician services scheduled for January 1, 2012, the implications of continuing this practice of simply putting off cuts to future years are clear. Continued access to care for our nation’s senior and disabled citizens is seriously threatened.

Other groups that have examined and proposed solutions to the nation’s budget crisis—including the Simpson-Bowles Commission, the Senate Gang of Six, American Enterprise Institute, Heritage Foundation, and the Center for American Progress—all acknowledged that the nation cannot continue to ignore the SGR deficit. These proposals called for permanent reform of Medicare physician payment system while at the same time significantly reducing the federal budget deficit.

The fiscally responsible course is clear. This is the time to repeal the SGR so that new payment models can be adopted that promote high quality, cost effective care.

Sincerely,

Aerospace Medical Association

AMDA – Dedicated to Long Term Care Medicine  
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 Ophthalmology  
American Academy of Otolaryngology—Head and Neck Surgery  
American Academy of Pain Medicine  
American Academy of Pediatrics  
American Academy of Physical Medicine and Rehabilitation  
American Academy of Sleep Medicine  
American Association of Clinical Endocrinologists  
American Association of Clinical Urologists  
American Association of Neurological Surgeons  
American Association of Orthopaedic Surgeons  
American Association of Physicians of Indian Origin  
American College of Cardiology  
American College of Chest Physicians  
American College of Emergency Physicians  
American College of Gastroenterology  
American College of Occupational and Environmental Medicine  
American College of Osteopathic Family Physicians  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Radiology  
American College of Rheumatology  
American College of Surgeons  
American Congress of Obstetricians and Gynecologists  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Group Association  
American Orthopaedic Foot and Ankle Society  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Psychiatric Association  
American Society for Clinical Pathology  
American Society for Dermatologic Surgery Association  
American Society for Gastrointestinal Endoscopy  
American Society for Metabolic and Bariatric Surgery  
American Society for Radiation Oncology  
American Society for Surgery of the Hand  
American Society of Cataract and Refractive Surgery  
American Society of Clinical Oncology

American Society of General Surgeons  
American Society of Hematology  
American Society of Neuroradiology  
American Society of Pediatric Nephrology  
American Society of Transplant Surgeons  
American Urological Association  
College of American Pathologists  
Congress of Neurological Surgeons  
Heart Rhythm Society  
Infectious Diseases Society of America  
Joint Council of Allergy, Asthma and Immunology  
Medical Group Management Association  
North American Spine Society  
Renal Physicians Association  
Society for Maternal and Fetal Medicine  
Society for Vascular Surgery  
Society of Hospital Medicine  
The Endocrine Society  
The Society of Thoracic Surgeons

Medical Association of the State of Alabama  
Alaska State Medical Association  
Arizona Medical Association  
Arkansas Medical Society  
California Medical Association  
Colorado Medical Society  
Connecticut State Medical Society  
Medical Society of Delaware  
Medical Society of the District of Columbia  
Florida Medical Association Inc  
Medical Association of Georgia  
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  
MedChi, The Maryland State Medical Society  
Massachusetts Medical Society  
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  
Medical Society of New Jersey  
New Mexico Medical Society  
Medical Society of the State of New York  
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  
Texas Medical Association  
Utah Medical Association  
Vermont Medical Society  
Medical Society of Virginia  
Washington State Medical Association  
West Virginia State Medical Association  
Wisconsin Medical Society  
Wyoming Medical Society

cc: U.S. House of Representatives