



AMERICAN OSTEOPATHIC ASSOCIATION

1090 Vermont Avenue NW, Suite 510, Washington D.C. 20005 ph 202 414 0140 | 800 962 9008

November 10, 2011

The Honorable Patty Murray, Co-Chair
United States Senate

The Honorable Jeb Hensarling, Co-Chair
U.S. House of Representatives

The Honorable Max Baucus
United States Senate

The Honorable Xavier Becerra
U.S. House of Representatives

The Honorable John Kerry
United States Senate

The Honorable David Camp
U.S. House of Representatives

The Honorable Jon Kyl
United States Senate

The Honorable James Clyburn
U.S. House of Representatives

The Honorable Patrick Toomey
United States Senate

The Honorable Fred Upton
U.S. House of Representatives

The Honorable Rob Portman
United States Senate

The Honorable Chris Van Hollen
U.S. House of Representatives

Members of the Joint Select Committee on Deficit Reduction:

Today, 10,000 people will turn 65 years of age – an event that will be replicated every day for the next 19 years. Unfortunately, many of these individuals will struggle to find a physician willing to take care of them, simply because they are now a Medicare patient.

Our nation faces a tidal wave of new Medicare beneficiaries over the next two decades. This growth spurt comes at a time when Medicare may experience a potential mass exodus of physicians from the program due to the fatally flawed and detrimental sustainable growth rate (SGR).

As a result of the SGR, physicians participating in the Medicare program face a 27 percent cut in payments on January 1. The threat of a cut is not new; physicians and Congress have grappled with similar situations for each of the past 10 years. The differences are the severity of the cut, the escalating costs of a permanent solution, and the negative impact the SGR has on a growing health care program.

The lack of a predictable and stable payment formula causes physicians to evaluate their participation in the program on an annual basis. We must remind ourselves that these physicians are “businesses.” Very few “businesses” can continue to exist in an environment where their revenue is cut by 27 percent while their costs continue to rise at a rate of 3 percent or higher. More troubling, the SGR is a primary reason why physicians are hesitant to participate in new and innovative Medicare programs such as the electronic health records incentive program or the physician quality reporting system.

This vexing payment formula has hindered Congress' ability to reform Medicare for more than 10 years and has been an anchor on innovation in the program. For the past decade Congress has opted not to pursue a permanent solution to the SGR. Instead, lawmakers have chose to "kick the can down the road" with a series – 12 in 10 years to be exact – of short-term fixes. Today we find ourselves at the end of the road with a can that is severely damaged.

As members of the Joint Select Committee on Deficit Reduction, you have an opportunity to place Medicare on a new road. A road that promotes quality, fosters innovation in health care delivery, and advances health information technologies such as electronic health records. You have an opportunity to protect access to physician services for the 10,000 people who turn 65 today and the more than 30 million that will do the same over the next two decades.

This is the time. This is the process. The JSCDR provides a unique opportunity to end the budget gimmicks and set Medicare on a more stable and prosperous path for current and future generations of beneficiaries. The American Osteopathic Association (AOA), our more than 78,000 members, and the millions of patients cared for by osteopathic physicians are counting on you. We have every confidence that you will succeed.

Respectfully,



Martin S. Levine, DO
President

C: The Honorable John Boehner, Speaker, House of Representatives
 The Honorable Harry Reid, Majority Leader, United States Senate
 The Honorable Mitch McConnell, Republican Leader, United States Senate
 The Honorable Eric Cantor, Majority Leader, House of Representatives
 The Honorable Nancy Pelosi, Democrat Leader, House of Representatives
 The Honorable Kevin McCarthy, Republican Whip, House of Representatives
 The Honorable Steny Hoyer, Democrat Whip, House of Representatives