



October 7, 2011

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The Honorable Patty Murray
Joint Select Committee on Deficit Reduction
United States Congress
448 Russell Senate Office Building
Washington, DC 20510

The Honorable Jeb Hensarling
Joint Select Committee on Deficit Reduction
United States Congress
129 Cannon House Office Building
Washington, DC 20515

Dear Co-Chairs Murray and Hensarling:

On behalf of the Board of Directors of the American Medical Group Association (AMGA), an organization representing multi-specialty medical groups and other organized systems of care, including some of the nation's largest, most prestigious integrated health care delivery systems, I am writing to urge your support and recommendation of a cost saving measure for the Medicare Part B program. AMGA urges the members of the Joint Select Committee of Congress to support creation of a separate medical group sub-national Sustainable Growth Rate (SGR) payment pool commonly called a "bucket," for each participating group.

Physician fees are set in Medicare by a complex and fatally flawed formula known as the SGR. While AMGA, as the rest of organized medicine, supports a permanent solution to the SGR problem, we fear that the high cost for a true fix, estimated to be nearly \$300 billion, is likely to be deemed unrealistic at this time. If our assumption is correct, we suggest that in the interim that the SGR can be improved to yield cost savings to the Part B Medicare Program and improving patient care through the creation of a sub-national pool.

Medical groups and physicians would have to satisfy strict requirements to qualify for this bucket such as: electronic medical record use, participation in existing quality measurement and improvement systems, use of evidence-based medicine, provision of patient-centered care, and medical care coordination between physician specialties, examples which were characterized by MedPAC as "desired activities" which Congress should reward (Medicare Payment Advisory Commission, Report to Congress: Assessing Alternatives to the Sustainable Growth Rate System. March 2007).

The time has come to strengthen national policy to move the practice of medicine into patient-centered coordinated care which is found in physician-led organized systems of care, and our proposal is a step in that direction. A separate medical group SGR bucket mechanism that creates a stable platform of Part B payments would provide a significant incentive for medical groups and all physicians to make the necessary investments for the patients of today and tomorrow, and not incidentally, we believe would provide substantial cost savings to the Medicare program while actually improving patient outcomes.

AMGA proposes that this separate SGR bucket be budget neutral across all participating multi-specialty group practices. Further, the bucket we suggest should be voluntary, i.e., qualified groups should be allowed to opt-in. This effort would be a major step forward correcting our fragmented health care delivery system toward integrated, effective, and efficient medical care.

As you face the challenges of working to meet your committee objectives, AMGA stands ready to assist you in any way it can. Please contact George Roman of my staff at groman@amga.org or (703) 842-0772 if you have questions about our proposal or need more information.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald W. Fisher". The signature is fluid and cursive, with a large initial "D" and "W".

Donald W. Fisher, PhD, President and CEO

cc: Members of the Joint Select Committee on Deficit Reduction