

June 9, 2008

Dear ACP Member:

I am writing to ask for your help. **In just a mere three weeks, your Medicare payments will be cut by 10.6 percent unless we are able to persuade Congress to pass a law to stop the cuts.**

Every year, since 2002, physicians have faced similar Medicare payment cuts due to the flawed sustainable growth rate (SGR) formula. And with the exception of one year, Congress stepped in at the last minute to pass a temporary reprieve from the cuts. Last year was no different: in late December 2007, Congress passed legislation that prevented a scheduled 10.1 percent cut in Medicare payments that would have occurred on January 1. But instead of guaranteeing positive updates for the entire calendar year, Congress could only agree on a six month reprieve -- a 0.5 percent increase through June 30, 2008. As a result, on July 1 a 10.6 percent cut is scheduled to go into effect. Then, to make matters worse, another cut of more than 5 percent is scheduled to go into effect on January 1, 2009.

Because Congress has many competing priorities in an election year and time is running out, we can't just assume that Congress will get around to passing legislation to stop the July 1 cut. We have to make it happen - by telling them about the impact of the cuts on patients.

I am pleased to report that on June 6, Senator Max Baucus (D-MT), Chairman of the Senate Finance Committee, introduced a Medicare bill, the Medicare Improvements for Patients and Providers Act of 2008, S 3101, that would not only avert these cuts but would provide other significant benefits for internists. This bipartisan bill is co-sponsored by Senators Olympia Snowe (R-ME), Gordon Smith (R-OR) and Jay Rockefeller (D-WV).

ACP had a major and substantive role in working with the chairman to develop this legislation, particularly those provisions relating to longer-term reforms to improve payments for internists' services. Because this bill is expected to be considered by the full Senate later this week, **we need your immediate assistance in e-mailing both of your senators and asking that they vote "yes" on the Medicare Improvements for Patients and Providers Act of 2008, S. 3101 (see "Action Needed" section, below).**

MAJOR PROVISIONS

The bill incorporates the following of the College's objectives:

1. The SGR payment cuts will be replaced by 18 months of positive updates . The 10.6 percent payment cut on July 1 will be replaced by continuing current calendar - year payment rates for the remainder of 2008. In calendar year 2009, an estimated 5 percent cut in payments will be replaced with a 1.1 percent positive increase.
2. Medicare budget rules will be changed to increase the Medicare relative value units (RVUs) for office visits and other services provided by internists, starting on January 1, 2009. This will result in immediate and continuing payment gains to internists, not only from Medicare, but from other payers that use the Medicare RVUs.

3. Medicare would be required to make selective increases in Medicare payments for office visits and other services provided principally by internists and other primary care physicians, beginning in 2011. Although this change initially will be limited to specific services by primary care physicians in designated Professional Shortage Areas (PSAs), it will lay the groundwork for Congress to expand it in the future to primary care physicians nationwide.
4. It includes increased funding for the Medicare medical home demonstration project, which will pay physicians a monthly fee for coordinating care of Medicare patients in addition to their usual fee-for-service payments. The bill would also authorize CMS to expand the demo to a national pilot if it achieves measurable improvements in patient care. The increased funding will help assure that internists who wish to participate in the medical home demo receive sufficient compensation for the work involved in coordination of care.

The above provisions, plus other changes in the bill to provide positive incentives for voluntary quality reporting and electronic prescribing, could give internists the opportunity to receive as much as a 6 percent increase in total Medicare allowable charges in 2009, instead of the current scheduled SGR cuts.

The bill also includes many other ACP-supported provisions to improve Medicare benefits, including expanded coverage of preventive services and phasing out the higher Medicare co-payments for mental health benefits.

ACP strongly supports the bill and needs your help in urging senators to vote for it.

ACP understands that Congress will need to do much more to truly make Medicare payment policies work for internists and their patients, but the Medicare Improvements for Patients and Providers Act of 2008 represents major progress, not only by stopping the SGR cuts, but by creating the building blocks for comprehensive reforms to better recognize the value of internists' services. Other bills have been introduced in the Senate to block the SGR cuts—but they don't include the other ACP-championed provisions to improve payments for internists' services.

ACTION NEEDED

We need your help to garner your senators' support for the Baucus Medicare Improvements for Patients and Providers Act of 2008.

- 1) E-mail your senators now

[Login to the ACP Legislative Action Center](#)

Thank you for your help.

Sincerely,
Jeffrey P. Harris, MD, FACP
President, American College of Physicians

P.S. BECOME A KEY CONTACT

Finally, if you are not already enrolled as a Key Contact, please consider being available to ACP throughout the year to communicate with your members of Congress. Join the more than 5,500 of your ACP members and become a Key Congressional Contact. By becoming a Key Contact, you will not only be kept informed about legislative developments on Medicare payment cuts—but also on other ACP legislative priorities, such as expanding access to health insurance coverage. More information and the Key Contact enrollment form are also available at http://www.acponline.org/advocacy/key_contacts.