

May 26, 2010

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, DC 20510

Dear Senator Reid,

On behalf of the undersigned national surgical societies, we would like to thank you for your leadership and ongoing efforts to pass a permanent replacement for the flawed Medicare physician payment formula. It is vital that Congress adopt a policy that provides long-term stability to ensure that our nation's seniors, disabled and military families enrolled in the TRICARE program maintain access to high quality surgical care. Unfortunately, short term approaches -- including the sustainable growth rate (SGR) policy contained in the proposed House amendment to H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010 -- fall short of this goal, so we must oppose such legislative proposals.

With regard to H.R. 4213 (as released on May 20), our specific concerns include:

- Rather than permanently repealing the SGR, the bill only provides temporary relief from the pending payment cuts for three and a half years;
- The formula applied in 2012 and 2013 will likely result in a pay freeze for most surgeons;
- The bill reverts back to the SGR in 2014 when physicians will once again be facing cuts in excess of 35 percent; and
- With an estimated price tag of nearly \$500 billion in 2014, it will be virtually impossible to permanently fix the problem at a later date.

These continued payment cuts, rising practice costs and a lack of certainty going forward, make it difficult, if not impossible, for already financially challenged surgical practices to continue to treat Medicare patients. A February 2010 survey conducted by the Surgical Coalition confirms that surgeons and anesthesiologists will be forced to make significant changes in their practices if Medicare payments continue to decline, jeopardizing timely access to surgical care. The survey found that 37 percent of respondents will change their Medicare status to "nonparticipating" and an additional 29 percent will opt out of Medicare altogether. In addition, those remaining in Medicare will also make significant changes to their practices, with 69 percent limiting the number of Medicare patient appointments; 47 percent reducing time spent with Medicare patients; and 45 percent no longer providing certain services. Finally, the survey demonstrates a direct connection between Medicare payment cuts, jobs and the economy, as 43 percent of respondents stated they would reduce staff; 44 percent would defer the purchase of new medical equipment; and 32 percent would defer purchases of health information technology.

Surgeons are keenly aware of the fiscal challenges confronting Congress and our nation. We believe, however, that the most fiscally responsible approach is to permanently repeal the SGR

today, rather than growing the cost by acting on it tomorrow. We remain steadfast in our commitment to ensure and improve all Americans' access to quality surgical care and we stand ready to work with you to find a solution that will achieve this goal.

Sincerely,

American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Otolaryngology-Head and Neck Surgery  
American Association of Neurological Surgeons  
American Association of Orthopaedic Surgeons  
American College of Osteopathic Surgeons  
American Congress of Obstetricians and Gynecologists  
American Osteopathic Academy of Orthopedics  
American Society of Cataract and Refractive Surgery  
American Society of Plastic Surgeons  
American Urological Association  
Congress of Neurological Surgeons  
Society for Vascular Surgery

cc: Members, U.S. Senate