



**Michael D. Maves, MD, MBA**, Executive Vice President, CEO

November 25, 2008

Mr. Kerry Weems  
Acting Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
Room 445-G, Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Acting Administrator Weems:

The American Medical Association (AMA) would like to thank you for your recent letter to the Editor of the *Los Angeles Times* demonstrating your commitment to assisting California, Nevada, and Hawaii physicians with the serious enrollment problems they are experiencing as a result of the transition to the National Provider Identifier (NPI) and the new Medicare Administrative Contractor (MAC), Palmetto. We appreciate that you acknowledged these problems and expressed your desire to see them resolved. As you continue to address this matter, we request that you address two areas of particular concern.

First, while physicians in these three Western states have been particularly hard hit by enrollment problems, there are many physicians nationwide who are in the same dire financial situation. We are aware of many physicians who are unable to meet their payroll or are late on payroll taxes, cannot make timely mortgage payments, are unable to pay their liability insurance, and have had to stop paying other key bills like phone service. For example, we have heard from a number of physicians in New York and Connecticut who are struggling financially. In some cases we have been told that the challenges physicians faced trying to get re-enrolled during the transition to the NPI was such a fruitless exercise that they are no longer taking Medicare patients. The current economic crisis faced by the nation is also being felt by physicians who tell us they are unable to secure revolving loans to help them while they await processing of their enrollment applications.

Second, certain criteria still could prevent many physicians from receiving advance payments. Since May, when the NPI became mandatory and physicians saw payment interruptions, we have urged physicians to ask their contractors for advance payments.

Advance payments are not a solution for every physician as some may find the process of reconciling their books further complicated by such a payment. Despite the foregoing, as a result of significant cash flow interruptions and enrollment processing delays, many physicians are interested in advance payments. Unfortunately, all too often Medicare contractors are not aware of this option. In those cases where the contractors are familiar with advance payments, many physicians are denied them because they have not been billing in the past several months, something we understand is a key criterion in establishing a physician's eligibility. This is made even more frustrating since the precise reason physicians are having cash flow problems is because they are unable to bill while they wait to become re-enrolled. The AMA appreciates your instructions to Palmetto to streamline the process and relax the criteria for advanced payments for California, Nevada, and Hawaii physicians; however, it is critical that the same flexibility is afforded other physicians nationwide. To date, several contractor websites still contain no information about the advance payment option.

**We request that you:**

- 1. Extend the same flexibility for advance payments for these physicians in the West, to all physicians nationwide who find themselves in a similar situation, by relaxing the aforementioned criteria;**
- 2. Make all contractors and physicians experiencing NPI / enrollment problems aware of this option including posting this information on each contractor's website; and**
- 3. Place a moratorium on the changes to the Medicare enrollment process as proposed by CMS in the physician fee schedule final rule with comment, until related physician payment delays are resolved nationwide as this is a significant factor contributing to these serious cash flow problems.**

We look forward to continuing to address these problems with your staff. Should you have any questions please contact Mari Savickis at [mari.savickis@ama-assn.org](mailto:mari.savickis@ama-assn.org).

Sincerely,



Michael D. Maves, MD, MBA