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Identical Letter went to Representatives Pallone, Upton and Waxman

February 27, 2012

The Honorable Joe Pitts
Chairman
Committee on Energy and Commerce
Subcommittee on Health
2125 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pitts:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing to express our strong support for H.R. 452, which was introduced by Representative Phil Roe, and would repeal the Independent Payment Advisory Board (IPAB). Accordingly, we strongly support the advancement of this important legislation through the Energy and Commerce Committee.

The AMA has consistently expressed its opposition to the IPAB on several grounds. The IPAB puts important health care payment and policy decisions in the hands of an independent body that has far too little accountability. Major changes in the Medicare program should be decided by elected officials. We have already seen first-hand the ill effects of the flawed sustainable growth rate (SGR) physician target and the steep Medicare cuts that Congress has had to scramble each year to avoid, along with the significantly increasing price tag of a long-term SGR solution. Adding additional formulaic cuts through IPAB is just not rational and would be detrimental to patient care, especially as millions of baby boomers enter Medicare.

The experience with the SGR also raises concerns about policy decisions based on projections that require subsequent adjustments to reflect more accurate data. In 2003, Congress had to take action to allow the Centers for Medicare & Medicaid Services to correct \$54 billion in projection errors under the SGR target. The IPAB also imposes a rigid budget target that is prone to "projection errors" that would force Congress to produce billions of dollars in offsets due to inaccurate calculations.

We appreciate the need to reduce the federal budget deficit and control the growth of spending in Medicare. However, we believe that this can best be achieved by Congress working in a bipartisan manner to reform the delivery system and improve quality, access,

The Honorable Joe Pitts

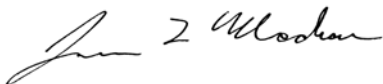
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and efficiency. At a time in which Congress is struggling to eliminate the SGR, it does not make sense to allow another rigid formula to be implemented that risks a bigger set of problems for a broader cross-section of Medicare services.

We thank you for your leadership on this issue, and look forward to working with you to repeal the IPAB and preserve access for seniors to their physicians.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jim L. Madara".

James L. Madara, MD