



**James L. Madara, MD**  
Executive Vice President, CEO

**American Medical Association**  
515 N. State Street  
Chicago, Illinois 60654

ama-assn.org

(p) 312.464.5000  
(f) 312.464.4184

December 19, 2012

The Honorable Harry Reid  
Majority Leader  
U.S. Senate  
S-221 U.S. Capitol  
Washington, DC 20510

The Honorable Mitch McConnell  
Republican Leader  
U.S. Senate  
S-230 U.S. Capitol  
Washington, DC 20510

Dear Senator Reid and Senator McConnell:

As the end of the 112<sup>th</sup> Congress approaches, physicians once again find themselves on the precipice, not knowing if Congress will act to prevent cuts of almost 29 percent in payments for services provided to Medicare beneficiaries. This continuing game of political chicken is unacceptable and dangerous to the future of the Medicare program. We strongly urge House and Senate leaders to reach agreement on the offsets needed to keep these cuts from occurring, even on a temporary basis.

We have been here many times before. Since 2003, Congress has acted 15 times to provide short term relief from what all agree is a serious structural flaw in how physician payments are calculated, namely the Sustainable Growth Rate (SGR) formula. Every time, Congress assures patients and physicians throughout the year that it will not allow scheduled cuts to take effect, yet we find ourselves in the same situation year after year.

On several occasions, Congress failed to act in time to prevent the implementation of cuts, including twice in 2010 when Congress enacted five separate bills to stop the cuts. The resulting interruptions in payments disrupted access to care for Medicare beneficiaries and strained physician practices. As this pattern continues, physicians are growing increasingly wary of participating in a program that mandates significant practice investments (electronic prescribing, electronic health records, quality reporting, ICD-10 implementation) while failing to provide any certainty of future payments. The fact that Congress continues to fail to meet this most basic obligation is inexcusable.

Every time Congress fails to address the SGR, the cuts and the necessary offsets to prevent them grow significantly, placing additional stresses on all parts of the health care sector. Despite broad agreement that the SGR must be repealed, Congress continues to choose the path that provides only temporary relief, eroding the confidence of both physicians and beneficiaries in the stability of the program. America's physicians and the millions of

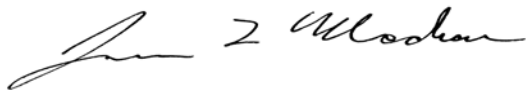
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beneficiaries for whom they care cannot understand why Congress continues to ignore this crisis.

It is the responsibility of Congress to provide stable funding for physician services for Medicare patients. Scheduled Medicare cuts for physicians' services are immediate and severe. This uncertainty and the threat to practice viability is increasingly causing physicians to reevaluate their policies on acceptance of Medicare patients. Physicians can not defer their payroll and other financial obligations; Congress must not defer action on the SGR. Medical practices should not be forced to secure lines of credit because Congress has failed to uphold its responsibilities.

We urge you to take action now to prevent another disruption in Medicare payments. Furthermore, should you reach agreement on a framework for legislation in 2013 that includes entitlement reform, it is essential to include plans for permanently repealing the SGR, so that this annual effort to prevent severe cuts will no longer be necessary, and so new policies can be implemented that promote efficiency, quality, and value in Medicare for both patients and taxpayers.

Sincerely,

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

James L. Madara, MD