



July 6, 2011

The Honorable John Cornyn
United States Senate
517 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cornyn:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am writing to express our support for S. 668, which would repeal the Independent Payment Advisory Board (IPAB). Throughout and since the health care reform debate, the AMA has continually 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 cuts that Congress has had to scramble each year to avoid, along with the significant price tag of a long-term SGR solution. The IPAB would subject physicians to double jeopardy in the form of two separate targets. At the same time, it would exempt for a significant period of time, large segments of Medicare providers who are subject to no target at all, leaving physicians in a position in which they could bear a disproportionate burden of any cuts under the IPAB.

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, 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 black ink that reads "Cecil B. Wilson". The signature is written in a cursive, flowing style.

Cecil B. Wilson, MD
Immediate Past President