

December 21, 2012

The Honorable John A. Boehner  
Speaker  
U.S. House of Representative  
H-232 U.S. Capitol  
Washington, DC 20515

The Honorable Nancy Pelosi  
Democratic Leader  
U.S. House of Representatives  
H-204 U.S. Capitol  
Washington, DC 20515

Dear Speaker Boehner and Representative Pelosi:

The undersigned medical organizations, together representing the vast majority of practicing physicians and medical students in the United States, strongly urge Congress to develop and pass a fiscally responsible, bipartisan agreement to prevent the implementation of across-the-board budget sequestration cuts that would endanger critical programs related to medical research, public health, workforce, food and drug safety, and health care for military families, as well as trigger cuts in Medicare payments to physicians and graduate medical education programs that will endanger patient access to care. **While we acknowledge and support the need to reduce our nation's burgeoning budget deficit to a fiscally sound level, we believe that the arbitrary and formulaic sequestration approach is not the appropriate policy to attain our nation's long-term health care goals. Congress should take a more targeted, rational approach that allows careful assessment of how to fulfill its long-term commitment to seniors, uniformed service members and their families, and public health and safety priorities.**

A targeted approach should consider the long-term need to ensure Medicare beneficiary access to health care services by preserving existing Medicare financing for Graduate Medical Education (GME). The shortage of physicians is already projected to be over 90,000 by 2020 and to grow to more than 130,000 by 2025. Cuts to Medicare GME financing will only exacerbate the physician shortage at a time when an estimated 10,000 seniors are entering the Medicare program each day and millions of newly insured Americans will be seeking physician care beginning in 2014.

A targeted approach should also maintain funding levels for key research, public health, and prevention programs administered by such agencies as the National Institutes of Health, the Centers for Disease Control and Prevention, the Health Resources and Services Administration, the Agency for Healthcare Research and Quality, and the Food and Drug Administration. Investment in research is designed to improve the quality of health care, increase the efficiency of its delivery, and broaden access to the most essential health care services. Investment in public health and prevention programs promotes wellness, prevents disease, and protects against public health emergencies, as well as generates long-term benefits that promise to lower future health care spending. The long-term benefits in improved health status, including greater productivity, should not be sacrificed to meet short-term budget objectives.

The Honorable John A. Boehner  
The Honorable Nancy Pelosi  
December 21, 2012  
Page 2

In addition to stable funding for these critical health care programs, Congress must provide stable payments to physicians as we improve our nation's Medicare payment and delivery system to promote high-quality, high-value, better-coordinated care to our patients. Coupled with the looming 26.5 percent Medicare physician payment cut under the Sustainable Growth Rate (SGR) formula, the two percent sequester cut will hurt patient access to care and will inject more uncertainty into our Medicare system. And, since TRICARE payment rates are tied to Medicare rates, these cuts will also affect access to care for military families. A targeted approach to deficit reduction should eliminate this sequester cut (as well as the SGR cut) to preserve patient access to care and maintain incentives for physicians to participate in new payment and delivery models that promise to improve quality and reduce overall health care spending.

We are also concerned that the full sequestration cuts would be applied to the administration and oversight budgets of the very agencies that Congress has charged with implementing programs to advance quality, public health, prevention, and safety. For example, the Centers for Medicare and Medicaid Services already suffers from a lack of resources to provide physicians with timely, actionable information at the point of care as envisioned by quality improvement programs passed by Congress. Another example is preventing prescription drug shortages and manufacturing related tragedies, such as the recent meningitis outbreak, which are important Food and Drug Administration functions requiring adequate funding. The sequestration cuts would be counterproductive to achieving these and other important health care goals.

We recognize the need to take action to ensure the long-term fiscal stability of our nation. However, we urge Congress to consider the long-term benefits of maintaining funding for programs that are essential to achieving our nation's goal to reform the Medicare payment and delivery system, improve public health and safety, improve access to health care services, and reduce overall health care costs.

Sincerely,

American Medical Association  
AMDA – Dedicated to Long Term Care Medicine™  
American Academy of Child and Adolescent Psychiatry  
American Academy of Dermatology Association  
American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Family Physicians  
American Academy of Home Care Physicians  
American Academy of Neurology  
American Academy of Ophthalmology

American Academy of Otolaryngic Allergy  
American Academy of Otolaryngology—Head and Neck Surgery  
American Academy of Pediatrics  
American Academy of Physical Medicine and Rehabilitation  
American Academy of Sleep Medicine  
American Academy of Urgent Care Medicine  
American Association of Clinical Endocrinologists  
American Association of Clinical Urologists  
American Association of Neurological Surgeons  
American Association of Orthopaedic Surgeons  
American College of Cardiology  
American College of Emergency Physicians  
American College of Gastroenterology  
American College of Mohs Surgery  
American College of Osteopathic Family Physicians  
American College of Osteopathic Internists  
American College of Phlebology  
American College of Physicians  
American College of Preventive Medicine  
American College of Radiology  
American College of Rheumatology  
American College of Surgeons  
American Congress of Obstetricians and Gynecologists  
American Gastroenterological Association  
American Geriatrics Society  
American Osteopathic Academy of Orthopaedics  
American Osteopathic Association  
American Psychiatric Association  
American Society for Clinical Pathology  
American Society for Dermatologic Surgery Association  
American Society for Gastrointestinal Endoscopy  
American Society for Radiation Oncology  
American Society for Reproductive Medicine  
American Society for Surgery of the Hand  
American Society of Anesthesiologists  
American Society of Cataract and Refractive Surgery  
American Society of Clinical Oncology  
American Society of Colon and Rectal Surgeons  
American Society of General Surgeons  
American Society of Hematology  
American Society of Nephrology  
American Society of Nuclear Cardiology  
American Society of Pediatric Nephrology  
American Society of Plastic Surgeons  
American Thoracic Society  
American Urogynecologic Society

American Urological Association  
Association of American Medical Colleges  
College of American Pathologists  
Congress of Neurological Surgeons  
Council of Medical Specialty Societies  
Heart Rhythm Society  
HIV Medicine Association  
Infectious Diseases Society of America  
International Spine Intervention Society  
Joint Council of Allergy, Asthma and Immunology  
Medical Group Management Association  
North American Spine Society  
Renal Physicians Association  
Society for Cardiovascular Angiography and Interventions  
Society of Hospital Medicine  
Society for Maternal-Fetal Medicine  
Society for Vascular Surgery  
Society of Cardiovascular Computed Tomography  
Society of Critical Care Medicine  
Society of Gynecologic Oncology  
Society of Interventional Radiology  
Society of Nuclear Medicine and Molecular Imaging  
The Endocrine Society  
The Society of Thoracic Surgeons

Medical Association of the State of Alabama  
Alaska State Medical Association  
Arizona Medical Association  
Arkansas Medical Society  
California Medical Association  
Colorado Medical Society  
Connecticut State Medical Society  
Medical Society of Delaware  
Medical Society of the District of Columbia  
Florida Medical Association Inc  
Medical Association of Georgia  
Hawaii Medical Association  
Idaho Medical Association  
Illinois State Medical Society  
Indiana State Medical Association  
Iowa Medical Society  
Kansas Medical Society  
Kentucky Medical Association  
Louisiana State Medical Society  
Maine Medical Association  
MedChi, The Maryland State Medical Society

Massachusetts Medical Society  
Michigan State Medical Society  
Minnesota Medical Association  
Mississippi State Medical Association  
Missouri State Medical Association  
Montana Medical Association  
Nebraska Medical Association  
Nevada State Medical Association  
New Hampshire Medical Society  
Medical Society of New Jersey  
New Mexico Medical Society  
Medical Society of the State of New York  
North Carolina Medical Society  
North Dakota Medical Association  
Ohio State Medical Association  
Oklahoma State Medical Association  
Oregon Medical Association  
Pennsylvania Medical Society  
Rhode Island Medical Society  
South Dakota State Medical Association  
Tennessee Medical Association  
Texas Medical Association  
Utah Medical Association  
Vermont Medical Society  
Medical Society of Virginia  
Washington State Medical Association  
West Virginia State Medical Association  
Wisconsin Medical Society  
Wyoming Medical Society

cc: United States Senate