

Congress of the United States
Washington, DC 20515

December 6, 2006

The Honorable John Boehner
Majority Leader
H107, U.S. Capitol
Washington, DC 20515

Dear Mr. Boehner,

The Republican members of the Medical and Dental Doctors in Congress Caucus are asking you to reverse the scheduled 5.1% cut to Medicare reimbursements to healthcare providers in 2007 and replace it with a positive update for all physicians.

It is important as the legislative fix for physician payment is discussed, the current problem we are facing is put in its proper context. Due to decisions that were made decades ago, our government has promised to provide healthcare to the seniors of this country. Therefore, whether those policy decisions were right or wrong, we now find ourselves needing to stay true to our promises. Complicating that promise is the fiscal reality our country faces with the imminent retirement of the baby boomers and their impact on our entitlement programs.

The reality of our promise within the Medicare system has very sobering consequences, one that affects many government programs and eventually the American taxpayer. As the largest payer in healthcare today, our government has a vested interest in ensuring access to quality healthcare for these pending new beneficiaries. It is for this reason that the Republican members of our caucus are asking that a minimum 1% positive update for all physicians be included in the final legislative language this week. Such a request gains focus as one considers physician payment levels in 2006 were the same as they were in 2001, and for some specialties they were at 2000 levels. How many businesses can claim similar margins and remain operational?

The reimbursement cuts physicians are facing on January 1st for services rendered to Medicare beneficiaries is, unfortunately, not a new problem. Physician payments within the Medicare program are calculated annually using the inherently flawed sustainable growth rate (SGR) formula and every year it projects a negative update for physician payments into the foreseeable future. Physicians are not providing less care or care of poorer quality, nor will they experience fewer costs to deliver care. Yet, they face a punitive payment cut while being asked to care for more beneficiaries.

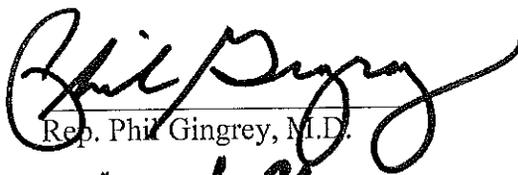
The five-year economic trend for physicians is shocking. According to the Medicare Trustee Report, physicians are projected to experience cuts of approximately 40 percent over the next nine years. Additionally, according to the Centers for Medicare and Medicaid Services (CMS) Medical Economic Index (MEI), practice costs will increase approximately

15 percent in the next six years. In "real dollars" this means that physician reimbursements potentially will be 40 percent below 2006 rates in 2012. Very few businesses can operate, or are willing to operate, in this type of economic environment.

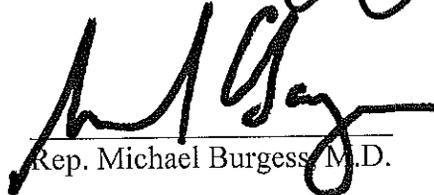
Finally, if the final package includes an additional bonus structure payable to physicians, there are two components our Caucus believes should be included. If the legislative language includes a pay for reporting provision, we believe first and foremost that professional medical societies need to decide what quality parameters are appropriate, not the Federal bureaucracy. Secondly, those physicians who do choose to participate in the optional pay for reporting program must be given the choice of how to contribute to such an end goal. CMS has a pilot reporting program which will not be administratively ready until mid-2007 to handle the quality data physicians from multiple specialties will be reporting. Other viable options are available to physicians, such as their own specialty societies or their state's Quality Improvement Organization (QIO), and they should be utilized if it is a physician's preferred method.

As we enter the final days of the 109th Congress the Republican Party is presented with one last, valuable opportunity to articulate our vision for responsible governance through the legislation we choose to prioritize. In this light, it is our request that ensuring access to quality healthcare services for our nation's Medicare beneficiaries be foremost on the minds of our elected Leadership as our legislative agenda is shaped. Thank you for your consideration.

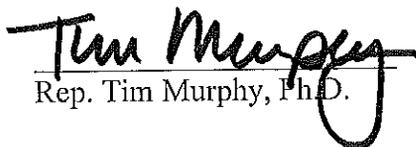
Sincerely,

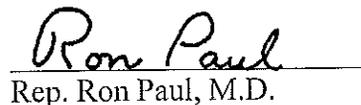

Rep. Phil Gingrey, M.D.

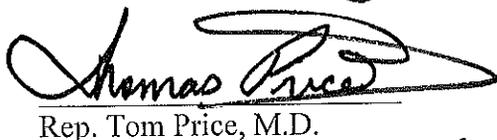

Rep. Charlie Norwood, D.D.S


Rep. Michael Burgess, M.D.

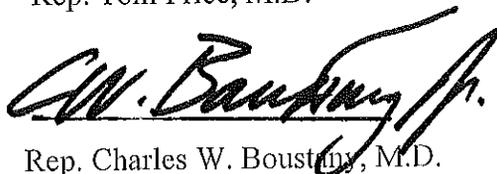

Rep. John Boozman


Rep. Tim Murphy, Ph.D.


Rep. Ron Paul, M.D.


Rep. Tom Price, M.D.


Rep. Shelley Sekula Gibbs, M.D.


Rep. Charles W. Boustany, M.D.


Rep. Dave Weldon, M.D.