

(A separate letter will also be sent to House leaders and members.)

[Date]

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

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

Dear Majority Leader Reid, and Senator McConnell:

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.

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