



Feb. 11, 2014

The Honorable Orrin G. Hatch  
Ranking Member  
Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Dave Camp  
Chairman  
Committee on Ways and Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Sander Levin  
Ranking Member  
Committee on Ways and Means  
1106 Longworth House Office Building  
Washington, DC 20515

RE Support for H.R. 4015/ S. 2000, “SGR Repeal and Medicare Provider Payment Modernization Act of 2014”

Dear Chairman Camp and Ranking Members Hatch and Levin:

On behalf of the Coalition of State Medical Societies – representing 158,500 physicians and medical students for state medical societies in Arizona, California, Florida, Louisiana, Oklahoma, New York, North Carolina, South Carolina, and Texas –we want to thank you, the committee members, and staff for your hard work to achieve bipartisan, bicameral Medicare Sustainable Growth Rate (SGR) payment reform legislation and we are pleased to announce our support for HR 4015/S2000. While we have concerns with aspects of HR 4015/S2000 as noted below this legislation represents a marked improvement over the status quo.

H.R. 4015/S. 2000 represents tremendous progress over previous versions– and we especially appreciate your listening to the concerns we expressed to you in December. We applaud:

- The immediate repeal of the SGR. This is critical and long-overdue. The irrational cuts mandated by the SGR have hung like an annual albatross around the necks of physicians, Congress, and our associations for more than a decade.
- Five years’ of 0.5-percent positive annual payment updates. Certainly given that Medicare physician payments have essentially been frozen over the last 12 years at the same time that practice costs have increased significantly, increases are long overdue. We remain concerned, however, that these increases will in no way keep up with physicians’ cost of providing health care to Medicare patients. We also are concerned with the freeze after 2018 and will certainly work to change this in the future.

- The changes made in the proposed Merit-Based Incentive Payment System (MIPS). The bill recognized that the previous budget-neutral approach to the MIPS would not provide the incentives necessary to achieve the improvements sought. The penalty and bonus pool is an improvement over previous drafts and current law. The bill doubled the funds available to help small practices implement MIPS.
- Inclusion of language similar to the Standards of Care Protection Act. This helps to limit the establishment of new causes of action against physicians, which would otherwise add further uncertainty to the management of physicians' practices.
- Eliminating the red-tape and hassles that prevent physicians from concentrating on patient care. This includes:
  - Combining the various and confusing incentive and penalty programs into one;
  - Deleting the repeated opt-out affidavit submissions for physicians who desired to engage in private contracting with their Medicare patients; and
  - Requiring that electronic health records be interoperable by 2017.

Despite the improvements to the value based program, we still have significant concerns with the level of potential penalties that physicians could face in future years. We are particularly concerned for those physicians in smaller practices, many of whom do not and likely will not have the infrastructure in place to be successful in these quality assessment programs. To use a cliché, the devil is in the details of the quality incentive program. We look forward to working with you to ensure that practicing physicians are intimately involved in developing and approving the quality, clinical, and payment programs in the legislation. We appreciate your efforts to ensure their involvement, as only practicing physicians can understand exactly how the words on paper will play out in their practices. It is imperative that practicing physicians play a leadership role in developing quality measures, determining how they will be used, and assessing whether the benefit is worth the burden on busy physician practices. Similarly, practicing physicians must serve on the Technical Advisory Committee that reviews and recommends the alternative payment models.

Also, this law will improve Medicare patients' access to quality care only if additional onerous and expensive regulatory burden is lifted from their physicians' backs. Whether in H.R. 4015/S. 2000 or moving forward, Congress must address:

- The Oct. 1. drop-dead date for shifting to the massive new ICD-10 coding system. Congress should require the Centers for Medicare & Medicaid Services to, at a minimum, beta-test this system in a variety of practice settings to make sure it actually works.
- The bounty-hunting contractors running the Recovery Audit Contractor (RAC) audits. We cannot ignore the growing number of tales of contractors repeatedly harassing physicians' practices in search of the tiniest of billing errors.

We again congratulate you for your efforts to achieve consensus on a Medicare physician payment reform proposal and thank you for your efforts to improve the legislation. We look forward to working with you to make SGR repeal a reality this year.

CC: The Hon. Ron Wyden, United States Senate