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July 30, 2013

The Honorable Fred Upton
Chairman
House Energy & Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member
House Energy & Commerce Committee
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton and Ranking Member Waxman:

On behalf of the physician and medical student members of the American Medical Association (AMA), we are writing to express our appreciation for your leadership and the Committee's efforts to repeal and replace the failed Sustainable Growth Rate (SGR) formula, which determines physician payment rates in the Medicare program.

During the past several months, we have worked closely with your staff to design an appropriate replacement for the failed SGR. The commitment to reform displayed by you and the bipartisan committee staff has resulted in significant progress toward a new Medicare physician payment policy that will promote high quality and efficient care for our nation's senior and disabled population.

Most significantly, the legislation to be considered by the full committee repeals the SGR and takes significant steps toward allowing physicians and other health care providers to design systems of care that best serve their patient populations through new and innovative care delivery models. Furthermore, a number of suggestions made by the AMA and other stakeholders have been incorporated into the proposal.

The AMA strongly believes that more work is required to address issues related to the potential complexity of the proposed reporting system and to ensure that updates are sufficient to keep pace with the cost of caring for beneficiaries. Equally important, the policy under current law relating to budget neutrality for misvalued codes must be retained to provide adequate funding of the physician payment pool.

We are grateful for your leadership and commitment to designing a new Medicare physician payment system and look forward to our continued collaboration and progress on these issues. We urge all members of the Committee to support favorably reporting the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is fluid and cursive, with a large initial "J" and "M".

James L. Madara, MD