December 21, 2012

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

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

Dear Senator 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
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
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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
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American Society of Plastic Surgeons
American Thoracic Society
American Urogynecologic Society

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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

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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
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Oklahoma State Medical Association
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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

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

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