AMA
AMERICAN MEDICAL ASSOCIATION

Michael D. Maves, MD, MBA, Executive Vice President, CEO

November 5, 2009

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 Capitol Building
Washington, DC 20515

Dear Speaker Pelosi:

On behalf of the American Medical Association, I want to express our support for concurrent passage of both H.R. 3961, the "Medicare Physician Payment Reform Act of 2009," and H.R. 3962, the "Affordable Health Care for America Act." A successful foundation for health system reform is dependent on House passage of both bills. Together, H.R. 3962 and H.R. 3961 will deliver on our shared commitment to assure that patients have access to care and choice of physicians.

H.R. 3962 and H.R. 3961 substantially address several of the following essential elements the AMA has identified for health system reform:

- **Expanding coverage:** H.R. 3962 will raise the percentage of legal, non-elderly residents with insurance coverage from 83 percent to 96 percent.

- **Insurance market reforms:** The legislation eliminates pre-existing condition exclusions and lifetime limits on total spending; does not allow insurers to vary premiums based on health status, and expands choice and access to coverage for those who are self-insured or employed by small businesses.

- **Patient-physician decision making:** Expanded coverage and choice will empower patient and physician decision making. H.R. 3962 is consistent with our principles of pluralism, freedom of choice, freedom of physician practice, and universal access.

- **Investments in quality, prevention, and wellness:** The legislation provides additional resources to achieve these goals and, importantly, treats quality improvement as an investment in our nation's health care system.

- **Repealing the sustainable growth rate (SGR):** Preserving access to care and choice of physician for Medicare patients and military families is a critical component of

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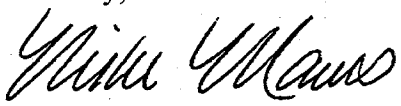
comprehensive health system reform. An overwhelming majority in Congress agree that the existing Medicare physician payment formula is flawed, that the steep pay cuts it produces should not be implemented, and that the formula should be repealed. Previous temporary actions by Congress have raised the cost of a permanent solution and increased the size of future cuts. The CBO scoring of H.R. 3961 must be put in proper perspective. This bill establishes a realistic budget baseline that reflects actual congressional actions and policies, rather than pretending Congress will allow future cuts to occur that are far more severe than those it rejected for the last seven years. Earlier this year, the House of Representatives adopted statutory pay-as-you-go legislation that provided an exception for Medicare physician payment reform legislation, acknowledging the importance of this policy change and the legacy aspect involved.

- **Reduce administrative burdens:** The legislation incorporates many recommendations that will streamline claims processing across payers and reduce overhead costs.

In addition, H.R. 3962 authorizes incentive payments to states that adopt certificate of merit and/or early offer medical liability reforms. Testing alternative reforms holds promise for gaining additional insight on reducing the cost of defensive medicine and abusive litigation practices, although we continue to believe that comprehensive reforms such as those enacted in California and Texas will do more to lower health care costs.

Concurrent passage of H.R. 3962 and H.R. 3961 represent a critical step in the legislative process that will enable further refinement of policies to lay a solid foundation for achieving our shared goal of assuring high-quality, affordable health care coverage for all Americans. We will continue to work with the House, Senate and the Administration to improve the final legislative product we hope will emerge from a joint House-Senate conference committee.

Sincerely,



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