



June 20, 2005

The Honorable E. Clay Shaw  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Benjamin L. Cardin  
U.S. House of Representatives  
Washington, D.C. 20515

The Organization of Specialists  
in Emergency Medicine

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Dear Representatives Shaw and Cardin:

The American Academy of Emergency Medicine (AAEM), the specialty society of board certified emergency medicine physicians, wishes to express its strong support for H.R. 2356, the Preserving Patient Access to Physicians Act of 2005. We applaud your leadership in attempting to fix the manner in which Medicare payments to physicians are calculated.

The 2005 Medicare Trustees Report estimates that the current physician payment system will cut doctors reimbursements by 26% over the next six years – beginning with an across-the-board 4.3 % cut on January 1, 2006. These cuts are due to the flawed Medicare payment update formula. They will threaten the ability of Medicare patients to receive needed care in the community and may lead to further crowding of our nation's emergency departments.

Payment updates are based on a sustainable growth rate (SGR) system tied to the gross domestic product (GDP). This means that when GDP declines as the economy softens, payment updates decline as well. From 1991-2003, payment rates for physicians and health professionals fell 14% behind practice cost inflation, as measured by Medicare's own conservative estimates.

H.R. 2356 repeals the SGR and replaces it with an annual Medicare payment update for physicians that reflects practice cost increases. H.R. 2356 provides doctors with a payment update of no less than 2.7%, with the annual update beginning in 2007. This bill establishes a permanent solution, so physicians can continue to give Medicare patients the care they deserve. As you may know, recent data from the CDC showed that emergency department (ED) visits have reached an all time high – 114 million in 2003 – and that the greatest increase was among those over age 65. AAEM believes it is important to keep the Medicare program strong for America's seniors and disabled so that more of them are not forced to turn to the already crowded EDs for their medical care.

AAEM and its more than 4,000 members look forward to the enactment of H.R. 2356 and offer our resources to bring this legislation to reality. Continued cuts in resources to our health care system are unsustainable. Our citizens will suffer if Medicare continues to cut payments to physicians and other health professionals.

If we can be of further assistance, please feel free to contact Kathleen Ream, AAEM's Director of Government Affairs, at 703-241-3974.

Sincerely yours,

A. Antoine Kazzi, MD FAAEM