

----- Original Message -----

From: <[Senator](#) Patty Murray>

To: <Mrs. Englund>

Sent: Wednesday, December 20, 2006 11:24 AM

Subject: Response from Senator Murray

Dear Mrs. Englund:

Thank you for contacting me regarding Medicare physician payments. It is good to hear from you.

Over the past few years, many physicians have made the difficult decision to reassess their willingness to treat Medicare patients; some have decided to turn away new Medicare patients, while others have dropped Medicare patients altogether. Their decisions are due, in large part, to decreasing Medicare reimbursement rates. As you may know, Medicare law specifies a formula for calculating the annual update in payments for physician's services, which is based upon the annual percentage change in gross domestic product (GDP).

Under current law, physicians would have faced a 5.1 percent cut in reimbursement rates in January 2007, which would have caused Washington state physicians to lose more than \$50 million in 2007 alone. As you may know, the Tax Relief and Health Care Act of 2006, which passed Congress in December and was signed into law by the President, contained a provision that will prevent this payment cut in 2007 and will freeze payment rates at their current level. The bill also established a quality reporting system for eligible providers using consensus-based quality measures for 2007 beginning July 1, 2007 through December 31, 2007. I voted in favor of this bill and I am very pleased that this bill eliminated the physician pay cut for 2007.

Unfortunately, physicians will once again face a payment cut in 2008 if Congress does not act to reform the payment system. I have met with many physicians across Washington state, and each and every one of them has told me that it is not enough to simply prevent these payment cuts. Every year, practice costs and medical inflation increase the costs of practicing medicine, and without an increase in reimbursement, physicians are often forced to stop accepting

Medicare patients.

I have been a consistent supporter of increasing Medicare physician reimbursement. I have cosponsored legislation to increase Medicare physician reimbursement while holding Part B premiums harmless for Medicare beneficiaries. These people have been subjected to drastic premium increases in recent years, and any further increase would severely burden many seniors who already must decide between paying for their prescriptions, food, and other necessities.

I strongly believe that the current reimbursement system is flawed and must be changed. The prospect of continued payment reductions imperils physician participation and willingness to accept Medicare patients, and poses serious hindrances to accessibility for our nation's seniors. I am committed to working with my colleagues to replace the current SGR formula with a system that more accurately reflects practice costs and quality of care. Without a more equitable and accurate system of reimbursement, physicians and Medicare beneficiaries across the country will continue to be adversely impacted.

Again, thank you for contacting me regarding Medicare physician payments. Please rest assured that I share your concerns and will continue to fight for increased reimbursement and physician payment reform. If you have any further questions or concerns, please do not hesitate to contact my office.

Sincerely,

Patty Murray
United States Senator

P.S. I'd like to invite you to receive Patty Murray's Washington View, my weekly legislative update by e-mail. If you are interested in receiving my update, please sign up here:
<http://murray.senate.gov/updates>.