

Congress of the United States

Washington, DC 20515

July 22, 2003

The Honorable Bill Thomas
Chairman
House Ways and Means Committee
1102 Longworth HOB
Washington, D.C. 20515

The Honorable Charles Grassley
Chairman
Senate Finance Committee
219 Dirksen SOB
Washington, D.C. 20510

The Honorable Charles Rangel
Ranking Member
House Ways and Means Committee
1102 Longworth HOB
Washington, D.C. 20515

The Honorable Max Baucus
Ranking Member
Senate Finance Committee
219 Dirksen SOB
Washington, D.C. 20510

Dear Colleagues:

As you work to merge the two Medicare prescription drug bills, we respectfully request that you include language regarding the physician work component of the Medicare physician fee schedule. Physician work should be valued equally, irrespective of the geographic location of the physician.

As some of the 75 bipartisan cosponsors of the Rural Equity Payment Index Reform Act (H.R. 33), we support an immediate increase of the physician work geographic practice cost index to 1.0 for any locality for which such index is below 1.0.

Rural providers face unique problems in treating Medicare patients. We believe the formulas used by the Medicare program to reimburse physicians and health care providers for beneficiaries' medical care are not accurately measuring the cost of providing services, and are reimbursing physicians and other health care providers in a manner that favors urban providers over rural providers. Medicare payment formulas should accurately compensate physicians and providers who deliver high-quality, cost-effective services to Medicare beneficiaries in all areas of the country.

According to the Centers for Medicare and Medicaid Services, "physician work" is the amount of time, skill and intensity a physician puts into a patient visit. Physicians and other health care providers in rural areas put in as much or even more time, skill and intensity into a patient visit as do physicians in urban areas. Yet, rural physicians are paid less for their work under the Medicare program than those who practice in urban areas! This is not only unfair, but discriminatory against rural areas!

Since beneficiaries pay into the Part B program and all beneficiaries pay the same premium for Part B services, the geographic disparity in payments results in a substantial cross-subsidization. Physician work should be valued equally, irrespective of the geographic location of the physician.

In closing, we ask you to support an immediate increase of the physician work geographic practice cost index to 1.0 for any locality for which such index is below 1.0. This provision will begin to create equity in Medicare reimbursement to physicians. Please do not hesitate to contact any one of us with questions or concerns.

Best wishes,

Heath Hiten

Doug Berentes

Mike Ross

Jim Matheson

Ron Paul

Ed Deb V. -

John Boozman

William F. ...

Jerry Moran

... Terry

... Mason

Mark Kennedy

Rae Kind

Col. Butch Otter

Vic Snyder

Timothy V. ...

Sam Lass

Marilyn Musgrave