



Wisconsin Medical Society

Your Doctor. Your Health.

April 16, 2008

VIA FACSIMILE

The Honorable Herb Kohl
330 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Kohl:

As President of the Wisconsin Medical Society, I want to let you know of our strong support for S. 2786, the Medicare Health Access Improvement Act, authored by Senator Charles Grassley. The Society believes this legislation would help Wisconsin's rural patients gain better access to health care.

The current Medicare payment system treats Wisconsin physicians differently – and negatively – compared to physicians in other parts of the country. The use of geographic practice cost indices (GPCIs) attempts to adjust payment rates by geographic region, but the current formula penalizes Wisconsin physicians – particularly those in rural parts of our state.

These payment disparities often lead to reduced access to physicians in rural areas; indeed, there are fewer physicians per capita overall in rural America compared to urban areas. Unless the Medicare formulas are fixed, we fear this trend will worsen.

Senator Grassley's bill would change the current GPCI work and practice expense formulas to better reflect reality. The attached letter from the Geographic Equity in Medicare Coalition, of which the Wisconsin Medical Society is a founding member, details how S. 2786 will help fix this problem.

I ask for your support of S. 2786 and that you would consider signing on to be a co-sponsor of the legislation. Please contact us if you have any further questions. Thank you for your consideration.

Sincerely,

Steven C. Bergin, MD
President



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April 15, 2008

*American Society of General
Surgeons*

Arkansas Medical Society

Idaho Medical Association

Iowa Medical Society

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Wisconsin Medical Society

Wyoming Medical Society

The Honorable Max Baucus
The Honorable Charles Grassley
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

Dear Senators Baucus and Grassley:

On behalf of the many state medical societies and other organizations concerned about access to high quality health care in rural and underserved areas, we are writing to voice our strong support for the ***Medicare Rural Health Access Improvement Act, S. 2786***, introduced by Senator Grassley. This legislation takes important steps that will mitigate current inequities in Medicare reimbursement and will begin to close the gap between Medicare reimbursement and the cost of providing services in predominantly rural areas.

As you know, Medicare (the physician fee schedule) uses geographic practice cost indices (GPCIs) to adjust payment rates to account for differences in the price of inputs for furnishing physician services throughout the country. Clearly, in order to account for varying input prices, the data sources used to construct GPCIs must accurately reflect actual practice costs in all geographic payment areas.

Unfortunately, the existing geographic adjustors result in significant disparities in physician reimbursement which penalize, rather than equalize, physician payment in rural states and localities. These geographic disparities in payment lead to rural localities experiencing significant difficulties in recruiting and retaining physicians and other health care professionals due to their significantly lower reimbursement rates.

The inequitable geographic payment formulas have also exacerbated the problems that rural areas face in terms of access to health care. Rural America today has far fewer physicians per capita than urban areas. The GPCI formulas are a dismal failure in promoting an adequate supply of physicians in rural areas and more severe shortages in rural areas are predicted in the future.

For well over a decade, different groups have spoken up about the disparities that result from the current system. Although the Centers for Medicare & Medicaid Services (CMS) itself acknowledges that the proxies they employ for data inputs are not "ideal," CMS has failed to remedy the existing flaws because they lack a legislative mandate to create a better data set.

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We commend Senator Grassley for introducing legislation to make changes in the GPCI formulas for work and practice expense to reverse this trend. The legislation establishes a 1.0 floor for physician work and practice expense adjustments. It also revises the work and practice expense formulas to reduce payment differences and more accurately compensate physicians in rural areas for their true practice costs. The bill also extends the five percent incentive payments for primary care and specialty physicians in scarcity areas. These provisions will go a long way toward improving rural patients' access to necessary medical services.

We appreciate your concern about the negative impact of payment disparities on health care provided in rural areas. We believe that stability, adequacy, and predictability in payment should be the highest priority for Congress to assure high quality, efficient care for all patients. We believe that **S. 2786** will correct the long-standing inequities that lead to disparities in care provided. We commend you for leadership in ensuring access to health care in rural America.

Sincerely,

A handwritten signature in cursive script that reads "Michael Kittell".

Michael Kittell, MD
Chair, Board of Directors
Iowa Medical Society
(on behalf of the Geographic Equity in Medicare Coalition)

cc: Senate Finance Committee Members