

The following letter was sent to all members of the Louisiana Congressional Delegation.

February 17, 2010

The Honorable Rodney Alexander
United States House of Representatives
316 Cannon House Building
Washington, DC 20515

Dear Representative Alexander:

The Louisiana State Medical Society (LSMS) has strongly supported eliminating the use of the SGR and replacing it with a realistic formula that utilizes accurate physician practice costs along with realistic inflationary trends to determine reasonable physician reimbursement. It is absolutely essential that the Congress act to sunset the SGR formula and include clear language in legislation this year on a framework to establish a new reimbursement system.

According to the SGR formula calculation on January 1, 2010 physicians were to face an across-the-board cut of 21.5% in Medicare reimbursement and under the current formula the cuts growing to 40% by 2014. At the close of last year Congress took action to postpone the implementation of these cuts to March 1, 2010. Louisiana already has below the national average of the ratio of physicians per Medicare beneficiary at 18/1000. An LSMS membership survey indicates the 38% would either reduce or stop seeing Medicare patients if reimbursements are reduced. This and future cuts will shatter access to care for Medicare patients, and specifically here is how it will affect Louisiana's Medicare population:

- Over 745,000 patients and covered beneficiaries will be impacted if the SGR payment cut in 2010 is implemented. Louisiana, at 14%, has an above average proportion of Medicare patients.
- In 2010 on average Louisiana's physicians will suffer a \$19,000 cut in reimbursement. Sunsetting of the SGR would prevent losses of \$3.1 billion to Louisiana physicians over the next five years.

The LSMS urges you to act now to establish a new physician reimbursement system and end this annual game of brinksmanship over impending Medicare payment cuts. Almost every family in Louisiana has a loved one depending on Medicare for their essential health care needs. If the LSMS can be of any further assistance to you on the important matter of resolving the physician reimbursement formula issue, please do not hesitate to contact us.

Sincerely,

Patrick C. Breaux, MD
President

PCB: ghl