American Academy of Family Physicians

December 13, 2005

The Honorable Pete Stark
1106 Longworth Office Building
U. S. House of Representatives
Washington, DC 20515

Dear Representative Stark:

On behalf of the 94,000 members of the American Academy of Family Physicians, thank you for the introduction of the *Medicare Physician Payment Reform Act*. We appreciate your efforts to reform the system of physician payment, and to stabilize payments with a minimum 1.5 percent increase for 2006 and 2007. This will give MedPAC time to make its recommendations and for Congress to act on them. Your leadership in addressing the seriously flawed formula will help Medicare patients receive the health care that they need and deserve.

Your bill provides a number of real opportunities for Medicare physician payment reform. It asks MedPAC to address some serious problems with the current payment formula, like accurately reflecting resource costs and better estimating marginal costs. We would recommend that MedPAC be asked to identify and review undervalued services as well as overvalued ones. We are also concerned that Medicare and private plan payment policies seriously undermine the development of a primary care physician workforce, and we appreciate your including an examination of that issue, as well.

We have several other suggestions for reforming the Medicare payment formula and we will be pleased to share those with you and your staff.

As Congress moves forward in addressing the problems of Medicare payment, we offer you our assistance in the search for solutions that serve Medicare patients and the physicians who provide their health care.

Sincerely,

Mary E. Frank, MD

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2021 Massachusetts
Avenue, N.W.
Washington, DC 20036-1011
(888) 794-7481
(202) 232-9033
Fax: (202) 232-9044
E-mail: capitol@aafp.org
http://www.aafp.org