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**To:** Chapter Executives

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**Subject:** The SGR and the End of the First Session of the 112<sup>th</sup> Congress

The first session of the 112<sup>th</sup> Congress is scheduled to end on Friday, December 16 (but will probably be extended to as late as December 23). As Congress finishes up this session, there are several major pieces of legislation that they are working on passing. One of these is an extension of the Medicare Physician Fee Schedule. Given the importance of this to family physicians, you may be contacted by members who want to know what AAFP is doing on this and what is going to happen. You are certainly encouraged to refer such contacts to us, but I wanted to provide you with an outline of where we are and what AAFP is doing. You and your staff may use this information as appropriate.

### **House Proposal**

The House of Representatives is reportedly going to propose a 2-year extension of the SGR with an increase of one percent. The proposal, which the Congressional Budget Office (CBO) estimates would cost about \$40 billion over ten years, will repeal or scale back programs authorized by the *Affordable Care Act* (ACA), like the CMS Innovation Center (responsible for testing alternative payment models) and the Preventive Health fund (that supports tobacco control and other public health initiatives). As such, it would be unacceptable to the Senate.

### **Senate Response**

The Senate is likely to reject this House version of a "doc fix" and propose instead a single year extension (with perhaps a small increase) that is paid for with non-controversial offsets. However, there is a small bipartisan group of Senators that are trying to develop a proposal for a longer term (5-10 years) fee schedule update. The

cost of such a proposal is significant, and these Senators are considering using the discretionary funds dedicated for military operations in the Middle East, but this offset is unacceptable to many in the House of Representatives. Thus, the one-year extension is seen as more likely to happen.

### **AAFP's Position**

Since this summer when the Joint Select Committee on Deficit Reduction (a.k.a., the "Supercommittee") was formed, AAFP has been consistent in asking Congress to repeal the SGR, provide a period (3-5 years) of specified, stable payments during which new payment models would be tested, and build in to the fee-for-service payment rate a higher differential payment rate for primary care physicians who offer primary care services.

The chapters that had a Representative or Senator on the Supercommittee wrote letters to their member (or in Michigan's case, members), and several arranged meetings in the state with legislators or staff to make the case that the Supercommittee should recommend repeal of the SGR and implementation of a payment system that included a higher payment rate for primary care. AAFP Key Contacts and some chapter leaders even made the trip to Washington to meet with legislators or staff here.

On October 20, Drs. Stream, Cain, Goertz and Henley came to Washington to meet with Congressional offices to make the case that legislators should repeal the SGR and include a higher payment rate for primary care physicians. Subsequently, on November 9, Dr. Cain returned to DC to meet with additional legislative offices.

The AAFP mounted a significant grassroots advocacy campaign for the SGR repeal. First, a special message was crafted for Congress of Delegate attendees to send to Congress. The late September message urged the Super Committee to include an SGR fix in whatever they recommended to Congress.

On October 14, an email blast was sent to 33,000 AAFP members encouraging them to submit personal stories about their practice and training experiences. The members were asked to talk about what would happen to their practices should an almost 30 percent Medicare payment cut take effect or what would happen with their should federal graduate medical education funding be decreased. These stories are being used to frame the grassroots' campaigns issues. Members from submitted over 50 stories across the country.

On October 20, the Family Medicine Matters grassroots campaign launched the first video in a series of three from Dr. Glen Stream, the AAFP's President. The videos include one that encourages members to advocate with their Representative and Senators for a solution to the [SGR](#). An additional video was created featuring Ohio's [Dr.](#)

[Sarah Sams](#). Her video was included in the letter AAFP members sent to Congress. She and one of her patients were even featured on the front page of the [Columbus Dispatch](#). As a result of these efforts 2,267 members have sent 5,554 letters to lawmakers.

The AAFP is continuing to monitor actions in Congress, and urging legislators to work to a solution to the SGR that includes a period of stable positive payments in which primary care physicians are paid at a rate at least 3-percent higher than non-primary care physicians. We will keep you apprised of developments in the weeks ahead. We will reiterate to Congressional leaders that a modest two-year increased payment is better than a 27.4 percent cut, but that Congress is making the problem of the SGR worse and increasing the cost of fixing it.