



Michael D. Maves, MD, MBA, Executive Vice President, CEO

January 30, 2008

The Honorable Tom Feeney
U.S. House of Representatives
323 Cannon House Office Building
Washington, DC 20515

Dear Representative Feeney:

The American Medical Association (AMA) wishes to express our support for your balance billing legislation, H.R. 4736, and applauds your leadership in addressing Medicare physician payment shortfalls.

Under current law, a limiting charge of 115% of the non-participating physician fee schedule amount (which is 95% of the participating fee schedule amount) applies to non-participating physicians under Medicare who balance bill their patients. H.R. 4736 would allow Medicare non-participating physicians to balance bill patients through repeal of the 115% limiting charge for non-participating physicians. The bill would also preempt state laws that prohibit balance billing.

Repeal of balance billing limits would be an important step forward in protecting physicians against the steep payment cuts they face under Medicare as well as from other payers, especially those payers with fee schedules that are tied to cuts in Medicare physician payment rates. Currently, if Congress does not act before June 30, 2008, physicians face greater than a 10 percent cut as of July 1, with additional cuts totaling about 40 percent through 2016. Yet, medical practice costs will increase about 20 percent during this same time period. Medicare Advantage plans, nursing homes, and hospitals have payment updates that reflect the cost of inflation.

Physicians cannot absorb these steep cuts. In a 2007 AMA survey, 60 percent of responding physicians said that a steep cut in 2007 would force them to limit the number of new Medicare patients they can treat, and this number increases to 77 percent of physicians if Medicare rates are cut 40 percent over multiple years. H.R. 4736 would alleviate some of the impact of these cuts and help ensure patient access to health care services.

The Honorable Tom Feeney
January 30, 2008
Page 2

We appreciate your introduction of this critical balance billing legislation, and we look forward to working with you to move this and other key legislative proposals to help resolve the ongoing Medicare physician payment crisis.

Sincerely,

A handwritten signature in black ink, reading "Mike Maves". The signature is written in a cursive style. A thin vertical red line is positioned to the right of the signature.

Michael D. Maves, MD, MBA