



# California Medical Association

*Physicians dedicated to the health of Californians*

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March 20, 2010

To: Speaker Pelosi and Members of the California Congressional Delegation:

The California Medical Association Board of Trustees has adopted a support position on parts of the health care reform legislation and an oppose position on other provisions. We support the important steps the bill takes to cover the uninsured but we believe it falls short of actually improving access to doctors. California physicians want you to know that we appreciate your leadership and dedication to improve the health of all Californians.

### CMA Support

The California Medical Association firmly supports the expansion of insurance coverage to California's uninsured. As you know, California is the epicenter of the uninsured and this expansion will provide affordable coverage to millions of low-income families in our state. Two-thirds of those eligible under the bill will be covered by private health plans through an exchange and one-third by Medi-Cal. We applaud the bill's focus on ending insurance company abuses. Premiums must be dedicated to getting patients well, not insurance company profits. And patients must not be denied coverage when they become ill. CMA also supports the substantial investment in increasing access to Medicare and Medicaid primary care physicians - who are the foundation of our health care system. The bill will also improve patient care by promoting prevention, wellness, and public health and increasing funding to expand the physician workforce.

### CMA Opposition

However, the CMA opposes other provisions in the bill. We are severely disappointed that the bill does little to improve overall access to doctors. Unfortunately, the bill builds health care reform on the broken foundations of Medicare and Medicaid without adequate funding. The CMA warns that these programs must be fixed if seniors, military families and the uninsured are to gain access to the care they need. CMA is strongly opposed to the creation of an unaccountable Independent Medicare Payment Advisory Board (IPAB) that is mandated to make arbitrary spending cuts that will force even more physicians out of the program and limit seniors' treatment options. The bill also fails to repeal the Medicare SGR payment formula that is slated to cut doctor reimbursements by 40% over the next several years. We appreciate the House of Representatives' passage of HR 3961 that would repeal the SGR and urge you to finish that legislation.

The CMA is extremely concerned that the bill does not increase Medicaid rates for all services and physician specialties. California's Medicaid rates are among the lowest in the nation and have driven many physicians away from the program because they lose money providing care. Half of current California Medicaid patients cannot find a doctor. 1.7 million new California Medicaid patients will be forced into emergency room care unless physician participation is increased. The Medicaid rate increase for primary care physicians in the bill will help

tremendously. However, California lacks a network of Medicaid specialist physicians which has caused serious barriers to getting timely medical care. There are six month waiting lists for specialists.

And finally, CMA physicians are frustrated and upset that after 8 years of advocating for a legislative solution, we did not achieve a simple update for California's Medicare payment locality borders. GAO, MedPAC, Urban Institute and CMS all agree that a locality border update is long overdue. According to Medicare's own data, Medicare is underpaying physicians in 14 California counties as much as 13% each year. We understand that single-state provisions were removed from the bill but California was intended to be the pilot test for moving all payment localities to Metropolitan Statistical Areas.

The CMA will be vigilant in our advocacy to improve this bill. We urge you to immediately:

- o Eliminate the IPAB
- o Repeal the Medicare SGR
- o Increase Medicaid payments for all physician specialties, and
- o Update the California payment locality borders (GPCI)

We also urge you to continue the effort to cover all of California's uninsured; allow patients to privately contract with physicians; and improve the quality reporting programs.

We know that you share our goal of ensuring that all patients have access to a doctor. You can't have a health care system without doctors. Strong physician-patient relationships are the foundation of good medical care. Congress must fulfill the promise of universal access to care by ensuring that everyone has a doctor who can stand by them when illness or tragedy strikes.

Thank you for the open access and dialogue that we have had with your offices during the health care reform debate this last year. We look forward to continue working with you.

Sincerely,

A handwritten signature in black ink that reads "J. Brennan Cassidy MD". The signature is written in a cursive, flowing style.

J. Brennan Cassidy, MD  
President