



**California Medical Association**  
*Physicians dedicated to the health of Californians*

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August 18, 2009

Dear San Benito County Medical Society

The California Medical Association has sent a letter to the California Congressional Delegation expressing our support for the health care coverage expansions and the fundamental Medicare and Medicaid reforms in HR 3200, "America's Health Care Choices Act." You can see our [letter to Congress here](#).

This letter, which we sent with the unanimous approval of the CMA Executive Committee, does not reflect CMA's endorsement or unconditional support for HR 3200. Rather, it reflects CMA's dedicated pursuit of our organization's longtime objectives and policies and of the political imperatives of the congressional process. The letter is firmly grounded in CMA policy, which supports expansions of health insurance coverage to our uninsured patients, calls for market reforms on the for-profit health insurance industry, and advocates for substantial improvements in Medicare and Medicaid payments to doctors to improve access to care. As you may be aware, HR 3200 includes nearly \$400 billion in Medicare and Medicaid physician payment fixes while cutting payments to every other provider group (Pharma, Health Plans, Hospitals, Nursing Homes and Home Health). The physician payment fixes include: rebasing the Medicare Sustainable Growth Rate formula to eliminate future cuts, a five percent bonus for Medicare Evaluation and Management services, and increasing Medicaid rates for primary care doctors to Medicare levels. By providing these important fixes, HR 3200 achieves many goals that we have been working on for years.

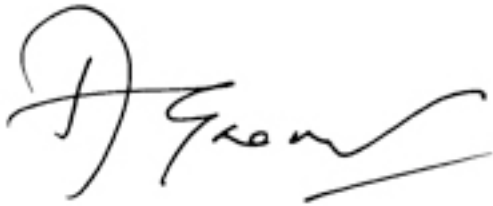
However, the letter makes it clear that despite major improvements in the public plan government option, we continue to have concerns. We have also registered in the letter and in person our opposition to scope of practice expansions for nurse practitioners, and our position that physicians should be allowed to privately contract with their patients in Medicare, the private sector, and the public plan. We have also asked for Medicaid rate increases for specialists in addition to those for primary care and for improvements in the Medicare formula. We have excellent relationships with the House leadership in both parties – Speaker Pelosi, Chairmen Waxman, Miller and Stark, and Majority Leader Becerra on the Democratic side, and Ranking Member Wally Herger and Representatives Nunes, Radanovich, and Bono-Mack on the Republican side. I give you my commitment as the CMA President that we will continue to aggressively work on these areas of concern with these important leaders.

Despite our concerns, your Executive Committee still believes it is of critical importance to California doctors and their patients to send this letter. Physicians are under attack from all sides in Washington, D.C. Many fiscal conservatives in both parties believe the

bill does not do nearly enough to contain rising health care costs. To address their concerns, they are proposing major cuts to physician payment, the establishment of an independent commission to make binding decisions about physician payment, and the implementation of a value-index that would impose up to 15% payment cuts in California. These cuts would dramatically harm patient access to doctors in California, particularly in already underserved areas with high numbers of low-income, ethnically diverse patients. Moreover, the Senate Finance Committee plan is not expected to be nearly as favorable for physicians and patients on the issue of physician payment fixes. Our letter is designed to send a clear message to Congress that it must maintain the important Medicare and Medicaid payment provisions in HR 3200 as health reform moves through the legislative process.

I know that many of you have questions and concerns about various aspects of the bill, and want to know where CMA stands. With this letter, we hope to clarify where we stand on the key issues, and advance the interests of California doctors and their patients as much as possible. Please keep in mind that we are in the first quarter of a long legislative battle to change our health care system. We must maintain these favorable provisions now to continue to fight for the best possible end-game outcome. The public plan and other HR 3200 issues of concern will face greater hurdles in the Senate, where we can have an impact. As your President, I believe this is the best strategy to achieve our goals of improving payment and the practice environment for physicians, which will ensure we can continue to provide the best possible care to our patients.

Thank you and best wishes,

A handwritten signature in black ink, appearing to read "Dev Gnanadev". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dev Gnanadev, MD  
CMA President

For more information on health reform, visit <http://www.cmanet.org/news/reform.asp>