



American College of Surgeons

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May 4, 2011

The Honorable Wally Herger
Chairman
Subcommittee on Health
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Joe Pitts
Chairman
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Pete Stark
Ranking Member
Subcommittee on Health
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Frank Pallone
Ranking Member
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Herger, Chairman Pitts, Ranking Member Stark, and Ranking Member Pallone:

On behalf of the more than 75,000 members of the American College of Surgeons, I write to express the College's opposition to the "Medicare Physician Payment Transparency and Assessment Act of 2011" (H.R. 1256), which was recently introduced by Representative Jim McDermott.

H.R. 1256 would require that the Centers for Medicare and Medicaid Services (CMS) employ the services of outside contractors and annually analyze potentially misvalued services and codes under the Medicare Physician Fee Schedule (MPFS). As you know, CMS receives annual recommendations regarding the relative value of thousands of physician codes and services from the Relative Value Update Committee (RUC), a multispecialty physician expert panel convened by the American Medical Association, with the support and cooperation of the physician and health care practitioner specialty societies. Given the Secretary and CMS' current authority to alter any recommendations made by the RUC and previous unsuccessful attempts at using contractors, the College believes the legislation is unnecessary, duplicative and would ignore previous lessons about contractors' inability to assess the relative values of services under the MPFS.

In the late 1990s, CMS used a contractor to develop practice expense inputs for all physician services; when the process failed, the RUC stepped in to develop a new process with uniform standards and re-reviewed every service and cost input resulting in the redistribution of practice expense payments to primary care. Another CMS contractor hired to obtain the overall practice costs of each specialty could not fulfill its contract and, in 2007, CMS relied on the AMA and national specialty societies to collect the cost information. In addition, the RUC assumed the activity of identifying potentially misvalued codes, when CMS, using contractors, failed in its attempt. To date, the RUC has identified more than 900 services and redistributed more than \$1.5 billion.

The College greatly appreciates your dedication to the challenges facing America's physicians and the health of all Americans. The College believes that finding provider-led solutions to America's health care challenges in Medicare and beyond are essential. Unfortunately, this legislation would undermine these important and proven efforts. As a result, the College must oppose H.R. 1256.

Sincerely,

David B. Hoyt, MD, FACS
Executive Director, American College of Surgeons

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