



American Association of Orthopaedic Surgeons

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November 18, 2003

Dear Member of Congress:

On behalf of the American Association of Orthopaedic Surgeons (AAOS) representing 18,000 board certified orthopaedic surgeons in the United States, we appreciate the work involved in seeking bipartisan consensus on the Medicare prescription drug bill. This legislation takes bold and promising steps to provide prescription drug coverage and to modernize the Medicare system to ensure America's seniors will continue to have access to high quality, comprehensive health care in the future.

While we look forward to reviewing the final conference agreement, it is my understanding that this package also addresses several critical provider issues. Most important among these for physicians is the flawed Medicare payment formula. The AAOS is particularly appreciative of the efforts on the part of conferees and other Members of Congress to work with the physician community to avert a 4.5 percent reduction in physician reimbursement by providing for a 1.5 percent payment increase in 2004 and 2005. This temporary adjustment will give the physician community and Congress time to overhaul the flawed payment formula. We hope that you will work with us to seek a permanent solution in the near future.

This legislation also recognizes other challenges with the Medicare system by overhauling the often overly burdensome regulatory process, providing some relief for hospitals and physicians who serve a high immigrant population in complying with the Emergency Medical Treatment and Active Labor Act (EMTALA), providing relief for rural and underserved urban areas, and adding funding for graduate medical education. While we believe an electronic system for processing prescriptions is inevitable, and will enhance a system of patient safety, we appreciate the conferees approach to proceed with caution using a voluntary structure. We have concerns with imposing a moratorium on specialty hospitals, but we believe the bill's approach to require an objective analysis to determine quality of care issues before taking any additional action is critical. Finally, we are pleased that the bill creates a new Health Savings Accounts (HSAs) system by encouraging the expansion of medical savings accounts (MSAs).

We are committed to ensuring the accessibility and affordability of health care to Medicare beneficiaries. **To that end, we encourage you to vote for this legislation.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen L. Hackett', is written over a faint, circular watermark or stamp.

Karen L. Hackett, FACHE, CAE
Chief Executive Officer
American Association of Orthopaedic Surgeons