

June 25, 2003

Representative Bill Thomas
Chairman, House Committee on Ways and Means
US House of Representatives
Washington, DC 20515

Dear Chairman Thomas:

On behalf of Mayo Clinic I want to express our support for your efforts to reform the Medicare program while adding a prescription drug benefit. As you know, Mayo has long supported the need for fundamental Medicare reform, and we have advocated a Federal Employees Health Benefit Plan (FEHBP) model for Medicare. While we realize that current Medicare reform legislation does not move Medicare completely to that model, we support your efforts to make meaningful progress in that direction. In particular we support the Ways and Means Committee's provisions that create more private Medicare options, foster competition, and eventually require the government Medicare option to compete on an equal footing with the private plans. We stand ready to help you to move Medicare toward the FEHBP model.

We also support the Ways and Means Committee for including a provision to modify the projected 4.2 percent reduction in the 2004 physician fee schedule. Medicare already significantly underpays physicians, and another reduction in physician fees would be a major impediment to providing the highest quality care for our patients. It also is interesting to note the interrelationship of this problem with the overall Medicare reform debate. Under the FEHBP model it would not take an act of Congress every year to assure that physicians were paid at fair market value for their services and that patients have access to the care they deserve.

Thank you for your efforts to make significant improvements in the Medicare program so that we can better serve our patients.

Sincerely,



Denis A. Cortese, M.D.
President and CEO

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