



Riverside County Medical Association

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May 15, 2013

The Honorable Dave Camp, Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Fred Upton, Chairman
Committee on Energy Commerce
United States House of Representatives
Washington, D.C. 20515

RE: SGR Repeal and Reform Proposal: Medicare Payment Locality Update

Dear Chairman Camp and Chairman Upton:

The Riverside County Medical Association is writing to urge you to include an update of the California Medicare payment localities in the Medicare SGR reform legislation. The outdated Medicare payment localities have created serious access to care problems in Riverside County. Our county suffers from the most acute shortage of doctors, having just one half the number of doctors needed for adequate healthcare services. The benchmark for primary care physician to population ratio is 60-80 per 100,000 people. Riverside County currently sits at 34 primary care physicians to 100,000 people. Because of low Medicare and Medicaid reimbursement it is extremely difficult to recruit new physicians to our communities. These inequities have impacted access to healthcare for our citizens and as a result, our region consistently ranks among the least healthy.

Because Medicare has failed to update the physician payment localities, physicians in our county are underpaid by over \$2,646,840 each year. Medicare still designates Riverside County as rural, when in fact we have a population of over 2.2 million people and Riverside County is the fastest growing county in the United States, expected to be the second largest County, only second to Los Angeles County, by the year 2040!

We support the **CALIFORNIA PILOT PROPOSAL** being forwarded by Congressmen Darrell Issa (R-San Diego) and Sam Farr (D-Santa Cruz/Monterey) and supported by the California Medical Association. The proposal would update the payment regions to Metropolitan Statistical Areas (MSAs) as recommended by the IOM, GAO and MedPAC. Medicare pays and organizes hospitals according to MSAs. And the MSAs are updated annually. It would hold the rural counties harmless from cuts for five years. The hold harmless is funded with California Medicaid savings in Alameda County so it does not impact the federal budget or any other state. After five years, the localities would revert back to the current locality configuration to avoid cuts to the rural physicians. At that time, Congress can assess the California pilot and reform the geographic payment system as step two in the overall Medicare SGR payment reform effort

Thank you for your interest in this important issue.

Sincerely yours,

Gerardo Hizon, M.D.
President