



**Association of  
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**Darrell G. Kirch, M.D.**  
President and Chief Executive Officer

October 15, 2009

The Honorable Debbie Stabenow  
United States Senate  
Washington, DC 20510

Dear Senator Stabenow:

The AAMC applauds you for introducing the “Medicare Physician Fairness Act of 2009” (S. 1776). The legislation permanently replaces the Sustainable Growth Rate (SGR) methodology used to calculate Medicare physician payments with a zero percent annual update. Such action averts a scheduled reduction in 2010 Medicare physician payments of nearly 22% and eliminates the reductions projected for future years.

The AAMC has long supported a full repeal of the SGR, along with the linking of physician payments to the Medicare Economic Index (MEI). Your legislation is an important first step toward achieving a more rational, consistent update methodology that appropriately reimburses physicians for their services.

Assuring adequate physician payments is particularly important for the nation’s medical schools. Clinical revenues generated by medical school faculty group practices (including Medicare payments) account for 38% of total medical school funding and are vital sources of support for their educational, research and patient care activities. As the nation faces a growing physician shortage, stable and predictable funding for medical schools is more vital than ever to preserving Medicare beneficiary access to health care. Additionally, in light of the growing need to train more physicians, the AAMC believes that financing this legislation through Medicare cuts that adversely affect medical schools or teaching hospitals would be self-defeating and unacceptable.

Thank you again for your leadership in working to repeal the SGR and prevent future cuts while Congress, the nation’s physicians and others develop a new payment methodology. The AAMC looks forward to working with you to secure passage of S. 1776 and move toward the new payment system.

Sincerely,

A handwritten signature in black ink that reads "Darrell G. Kirch". The signature is written in a cursive, flowing style.

Darrell G. Kirch, M.D.