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Congress of the United States
House of Representatives
Washington, DC 20515-3303

March 2, 2010

Mr. Robert W. Seligson
Executive Vice President
North Carolina Medical Society
PO Box 27167
Raleigh, North Carolina 27611

Dear Mr. Seligson:

Thank you for contacting me regarding H.R. 3961, the *Medicare Physician Payment Reform Act of 2009*.

H.R. 3961 proposed to alter the "SGR," or sustainable growth rate formula, which is used to calculate physician reimbursements for Medicare and TRICARE. Over the last several years, I have met with many district physicians and patients regarding the SGR, and I understand the view that this formula is deeply flawed. In fact, I have voted in the past to support physician reimbursement boosts in spite of SGR calculations. Most recently, I voted in favor of H.R. 6331, the *Medicare Improvement for Patients and Providers Act*, which stopped a 10.6 percent cut for the remainder of 2008 and applied a 1.1 percent increase for 2009.

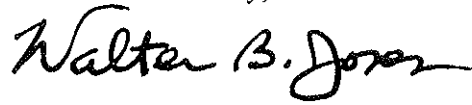
However, I voted against H.R. 3961 for several reasons. First, the bill was part of the overall Democrat health care proposal, which proposes to cut nearly \$400 billion from Medicare and TRICARE programs. While this bill was separated out to allow the Pelosi health care bill, H.R. 3962, to be scored by the Congressional Budget Office (CBO) at a lower number, the cost of H.R. 3961 is being touted as largely offset by the so-called "savings" for the government by cutting Medicare and TRICARE. I am opposed to cutting programs for seniors and veterans, and I voted against the Pelosi health care bill earlier in November.

Second, H.R. 3961 institutes a "target growth rate system", or a "TGR," in place of the SGR. Physicians relayed to me that this would be merely a short term fix for the underlying problem, and would lead to the same problems with reimbursement that the SGR posed because it too would be based on gross domestic product, meaning that when the economy is down, physicians would be paid less. Third, the bill was scored by the Congressional Budget Office (CBO) to cost \$210 billion. This cost is deeply troubling to me, especially in light of the tandem cuts to veterans' and seniors' benefits.

Further, I voted to consider another Republican proposal to provide 2 percent updates for the next 4 years. I would like to see a more comprehensive solution to the SGR problem, but not at the expense of veterans' and seniors' benefits.

Thank you for contacting me on this important issue. I am always happy to hear your thoughts and concerns, and hope that you will continue to communicate your views to me.

Sincerely,

A handwritten signature in black ink that reads "Walter B. Jones". The signature is written in a cursive, flowing style with a prominent initial "W".

Walter B. Jones
Member of Congress