

LLOYD BENTSEN
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JOINT COMMITTEE ON TAXATION
SELECT COMMITTEE ON INTELLIGENCE

United States Senate

WASHINGTON, DC 20510

November 4, 1987

Dear Friend:

I am pleased to have this opportunity to tell you that the Senate Finance Committee has included in its budget reconciliation package a provision which permits a full 3.6 percent update in prevailing charges for primary services. Primary services are defined as office, home, nursing home, and emergency room visits.

For physician services in rural, underserved areas, the Committee recommended that an additional payment of 5 percent be added to the amount Medicare pays the physician, assuming that he or she accepts assignment on the claim. This amount would be determined after the calculation of the reasonable charge and deduction of the coinsurance. This proposal would apply to services provided on or after January 1, 1989.

As Chairman of the Finance Committee, I can assure you that I will continue to assign a high priority to all issues relating to Medicare, whether concerning patient care or physician reimbursement. Public medical insurance programs which ignore the fair needs of physicians will ultimately ignore the needs of patients. We can -- and must -- attend to both.

Sincerely,


Lloyd Bentsen

United States Senate

WASHINGTON, D.C. 20510-4301

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Lloyd Bentsen

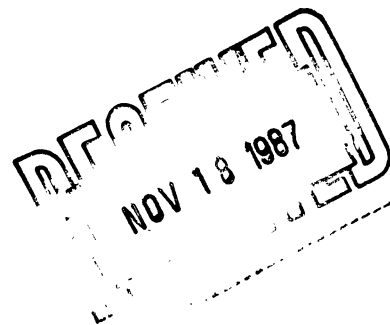
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