

## **SGR Talking Points**

### **Continue Working Toward Permanent SGR Repeal This Year**

This year, the bipartisan leadership of the Senate Committee on Finance and the House committees on Ways & Means and Energy & Commerce reached a historic agreement on legislation to repeal the Sustainable Growth Rate (SGR) formula.

- The bill was reported unanimously by all three committees with the strong support of organized medicine. It also represented the first time all parties agreed on a new Medicare physician payment structure that would emphasize value and quality over quantity and encourage physicians and others to adopt new, patient-centered practices.

With time running out, and despite many statements of support in both chambers and from both sides of the aisle for permanently repealing the SGR, leaders in both the House and Senate aborted efforts to adopt the agreement and instead imposed the 17th temporary Medicare physician payment patch.

- Leaders argued that neither chamber was able to reach agreement on how to offset the \$138 billion cost of the bill.

We fully appreciate the many challenges of identifying financial offsets that all sides can support. However, while insisting that the proposal must be paid for, leadership on both sides systematically removed all possible options for doing so – taking any policies that would affect beneficiaries or other providers off the table.

- Further, the very next week the House was in session, it passed H.R. 2575, a bill to change the definition of full time employment under the Affordable Care Act. The \$73 billion cost of that bill was not offset, despite that insistence just days before the SGR repeal could not be passed because pay-fors could not be found.

The bill that implemented a temporary patch took savings from the bipartisan bill. Furthermore, just two weeks after Congress failed to act on permanent payment reform, the Congressional Budget Office raised the estimate of the cost of SGR repeal by \$9 billion.

- These two factors mean that repealing the SGR will now cost billions more than if Congress had taken the fiscally responsible step of foregoing a 17<sup>th</sup> payment patch instead acted on the pending bipartisan, bicameral proposal to repeal the SGR.

Physicians are deeply disappointed with these actions. Temporary patches simply breed more temporary patches, leaving the underlying problem in place.

- They are fiscally irresponsible, and impede the implementation of new health care delivery and payment systems that policymakers and stakeholders agree are needed.

Congress must break this cycle and act on a permanent SGR solution this year. Leaders in both chambers and on both sides of the aisle need to understand that this is a high-priority issue, and take the steps that are needed to make Medicare physician payment reform a reality.