

SCHWARTZ CONFERENCE COMMITTEE OPENING STATEMENT

Washington, D.C.—U.S. Rep. Allyson Schwartz read the following statement today at the first meeting of the joint Senate-House conference committee charged with finding an agreement to extend middle class tax cuts, extend unemployment assistance, and fix the Medicare physician payment rate.

“Thank you, Chairmen Baucus and Camp. I look forward to working with you and our other House and Senate colleagues on the conference committee to find common ground. We need to put forward an agreement that will benefit American families and American businesses, provide stability, and promote economic growth.

“This conference committee is charged with resolving differences between the House and the Senate bills so we can extend middle class tax cuts, prevent a drastic reduction in Medicare physician payment rates, and extend unemployment benefits for Americans who have lost their jobs and are working to find new employment.

“I appreciate that we begin the work of this conference committee with a shared commitment to meeting these goals, and I am committed to working together to ensure this plan is paid for in a responsible and fair manner.

“In order to strengthen our economy, we must restore confidence in our capacity to reach agreement, strengthen the middle class and create an environment in which private sector jobs can grow.

“By extending the payroll tax cut we accomplish all of these goals.

“Without action, 160 million American taxpayers will see their taxes increase. These are middle class families, too many of whom are struggling to pay their mortgages, food bills, child care or college tuition—let alone save for retirement. This tax cut will better enable them to meet their obligations and contribute to growing our economy.

“Leading economists predict that a failure to pass the payroll tax extension would cut U.S. economic growth by 1.5 percent. As America’s economy rebounds, we cannot afford to hurt our economic growth by raising taxes on millions of middle class families.

“It is my expectation that we will find a way to extend this tax cut and enable America’s middle class taxpayers to keep more of their hard earned dollars.

“While there are encouraging measures of economic growth, our recovery is fragile.

“This past December marked the 22nd consecutive month of private sector job growth. Yet, there are still millions of Americans out of work and struggling to make ends meet.

“Losing a job should not mean economic disaster for families who have worked hard and played by the rules.

“While the unemployment rate is declining, there is a significant need for extending unemployment insurance. If we fail, 4.5 million Americans will lose extended unemployment benefits, including more than 184,000 in Pennsylvania.

“We cannot allow this to happen.

“Additionally, in order to protect our promise to America’s seniors, we must fix the broken Medicare physician payment system (SGR).

“For over a decade, the SGR has created uncertainty and instability for patients, health care providers, and the federal budget. Failure to repeal the SGR and replace it with a meaningful payment mechanism for physicians prohibits the drive towards innovative delivery system reforms, serves as a disincentive to physician participation in Medicare, and inhibits access to doctors for millions of seniors.

“Medicare payment policies have a direct impact on the care that beneficiaries receive and the sustainability of the Medicare program as a whole. Due to the uncertainty surrounding SGR, some doctors are already telling patients they will no longer be able to accept Medicare.

“We should recognize once and for all that SGR cuts will not be implemented and will not contain the rising growth in health care spending. We must work to replace it with a payment system that rewards quality and value, saves lives, and assures seniors’ access to the care they need.

“We owe it to America’s seniors to end this perennial threat to Medicare once and for all.

“Now is the time to take action to move beyond a decade-old policy that has failed taxpayers, Medicare beneficiaries, and those on the frontlines of patient care.

“The right step is full repeal of the SGR.

“Last year, my colleague from California, Rep. Herger, said, ‘Republicans and Democrats alike have kicked the can down the road long enough. We cannot continue to patch over this problem with short-term fixes of a few months or a year at a time. The uncertainty of Medicare payment policies is taking a toll on physicians, and with each passing year the cost of a long-term solution grows larger. It is time that we work together to find a fiscally responsible solution to this problem.’

“I wholeheartedly agree.

“In 2005, the cost of a full SGR repeal was less than \$50 billion. Today, that cost has grown to \$300 billion. In five years, the cost of short-term fixes and accumulated SGR debt will reach approximately \$600 billion.

“We have now identified a way to pay down this debt and restore fiscal discipline.

“Using part of the savings achieved through the reduction of military operations in Iraq and Afghanistan offers a unique and limited-time opportunity to resolve a budgetary problem that grows more costly with each passing month.

“This approach has gained support from members in both chambers and on both sides of the aisle.

“I urge my colleagues here today to fulfill our responsibility to America’s seniors and seize this opportunity to permanently repeal the SGR.

“We have a short time and serious work ahead of us. The American people are counting on us to extend middle class tax cuts for 160 million Americans, protect seniors by fixing the Medicare physician payment rate, and extend unemployment benefits for those who have lost their jobs and are working hard to find a new one.

“I look forward to accomplishing these goals together in a timely, fair and fiscally responsible manner.”

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