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Burgess Takes to House Floor in Support of SGR Repeal Bill

Legislation Will Be Voted on Tomorrow; Statement Was Delivered During Management of the Rule in Which Two Bills Were Considered

Washington, D.C. – Rep. Michael C. Burgess, M.D. (R-TX) today spoke on the floor of the House of Representatives in support of his legislation to repeal and replace the Sustainable Growth Rate, which he introduced last month.

Burgess, Vice-Chairman of the House Energy and Commerce Subcommittee on Health, said the bill repeals the SGR avoiding potentially devastating across-the-board cuts slated for 2014 and does so at a cost far lower than what Congress has already spent or would likely spend over the next 10 years.

"This bill is consistent in its themes throughout: we provide payment stability, reduce and streamline administrative burden, increase predictability in provider's interactions with CMS, build transparency into systems, encourage innovation in delivery of services, and keep providers in the driver's seat," he said.

The bill has been supported by more than 750 organizations and is cosponsored by 118 bipartisan members of Congress.

Burgess, who also sits on the House Rules Committee, delivered his statement while managing the rule for consideration of this bill, which is scheduled for a vote tomorrow, as well as for H.R. 3189, the Water Rights Protection.

The full text of his statement on H.R. 4015 is below.

"H.R. 4015, the SGR Repeal legislation, is an issue I have worked my entire congressional career to address. It reflects years of bipartisan, multi-committee and bicameral discussions and negotiations, bringing together Members of all ideological stripes as well as outside groups to coalesce around a policy to help doctors and their patients get out from under the constant threat of payment cuts under the current Sustainable Growth Rate structure for Medicare payments.

“Everyone agrees that Medicare’s Sustainable Growth Rate has got to go but today we are considering an actual framework to realistically accomplish that goal. The SGR formula was enacted as part of the Balanced Budget Act of 1997 in an ultimately misguided means by which to restrain federal spending in Medicare Part B.

“The SGR consists of expenditure targets which are established by applying a growth rate which is designed to bring spending in line with the expenditure targets over time. Since 2002, the SGR formula has called for a reduction to physician reimbursement rates. However, Congress has consistently passed legislation to override the SGR. This has led this body to find over $150 billion dollars with no solution out of this annual mess.

“If Congress were to let the SGR go into effect, physicians would face a 24 percent reduction in reimbursement rates in just a few weeks. The SGR’s unrealistic assumptions of spending and efficiency have plagued the healthcare profession and our Medicare beneficiaries. The bill before us repeals the SGR avoiding potentially devastating across-the-board cuts slated for 2014 and does so at a cost far lower than what Congress has already spent or would likely spend over the next 10 years.

“We provide a period of payment transition - essential to allow us to ensure continued beneficiary access, allow medicine to concentrate on moving to broad adoption of quality reporting and allow Congress to move past the distraction of the SGR to identify Medicare reforms that can further benefit the beneficiaries. This will also allow providers the time to develop and test quality measures and clinical practice improvement activities, which will be used for performance assessment during Phase II. During this 5 year stability period, physicians will receive annual increases of 0.5% - above what has been provided over the past several years.

“The quality measures implemented in what is called the Merit-Based Incentive Payment System, or MIPS will be evidenced-based, and developed through a transparent process that will seek input from provider groups.

“Quality reporting will involve a provider being judged against their practice, rather than against a ‘one size fits all,’ generic standard of care that does not take into account the unique practice of various specialty providers. Providers will also self-determine their measures. We consolidate three reporting programs into MIPPS easing administrative burden while retaining the congressionally established goals of quality, resource use, and meaningful use.

“The new reimbursement structure ensures continued access to high-quality care while providing physicians with certainty and security in their reimbursements. They will be aware

of the benchmark they are competing against and unlike current law all penalties assessed from those not meeting the benchmark will go to those who are keeping these dollars in the Medicare system driving quality which only benefits our Medicare beneficiaries.

"Standards against which providers will be measured will be developed by professional organizations in conjunction with existing programs and will incorporate ongoing feedback to physicians, thus further ensuring optimal care is provided to the patient.

"Real-time feedback will be gained through registries and performance data, and physicians are encouraged to participate in the process through data reporting. For eligible professionals who choose to opt-out of the fee for service program, alternative payment models will be available. These APMs may include patient-centered medical homes, whether they are primary or specialty models, and bundles or episodes of care. By encouraging alternative payment models, and care coordination, our proposed solution will inspire innovation. Qualifying practices that move a significant amount of their patients into one of these APMs would see a 5% quality bonus. The bill will also take affirmative steps to improve the accuracy of relative values and misvalued services.

"But even though we are taking these important steps towards ensuring quality care, the bill specifically states that these quality measures are not creating a federal right of action, or a legal standard of care or duty of care owed by a health care provider to a patient.

"My friends on the other side of the aisle may disagree with having to pay for new spending, but this is an important reform that Republicans put in place when we reclaimed the majority in the 2010 elections. If you want to increase mandatory spending, you should reduce mandatory spending elsewhere. This is a simple concept that I think my constituents and most Americans would agree with. The Democrat substitute highlights the difference between the parties on this issue. Democrats have embraced a budget gimmick to offset their bill, a gimmick that even the non-partisan Congressional Budget Office has stated is 'unscorable' and has no impact on the direct spending or revenues. Republicans want to reform the Medicare payment system in a responsible way that is fully paid for.

"If my colleagues can find a legitimate offset, I would be happy to review it. In fact, this is exactly what we are asking of the United States Senate. You don't like our offset, offer one of your own and let's work together to pass these much needed reforms.

"This bill is consistent in its themes throughout: we provide payment stability, reduce and streamline administrative burden, increase predictability in provider's interactions with CMS,

build transparency into systems, encourage innovation in delivery of services, and keep providers in the driver's seat.

"I encourage my colleagues to vote YES on the Rule and YES on the underlying bills. With that I reserve the balance of my time."

Burgess closed with the following remarks:

"As I close, I would like to note that each Committee's work is represented in HR 4015. HR 4015 base policy has the backing of the House and Senate negotiators and all three committees of jurisdiction. The original cosponsors of the bill include the chairmen and ranking members of the full committees of jurisdiction as well as their Health subcommittees.

"The bill has gained the support of the GOP Doctor's Caucus as well as many of the physicians on the other side of the aisle. We have over 100 bipartisan cosponsors. The bill's policy has been embraced by organized medicine – with over 700 state and national groups in support of the bill.

"From primary care to specialists to surgeons to organized nursing and everyone in between we have support for this policy. We will not be able to accomplish this goal without substantive and immediate bipartisan dialogue seeking agreement on reforms to offset the costs associated with the policies in HR 4015. While the delay of the mandate has received bipartisan support, I understand this offset has significant opposition. These reforms must receive the necessary majority support, not only of the House and Senate, but also be agreed to by the White House.

"However, no one chamber can negotiate on such an important and substantive task in a vacuum. This action by the House is a means of clearly demonstrating that the legislative policies contained within HR 4015 and S. 2000 not only have the support of the committees of jurisdiction and organized medicine but can gain the necessary support to pass the House.

"This is clearly not the end of the conversation but another small step forward in demonstrating to both sides of the Capitol that the committees of jurisdiction have produced substantive policy that can serve as the solution to the SGR that we have sought through our congressional careers.

"I would also like to thank all the staff who have worked on this issue and will continue to work on this issue going forward. Every success we have had at each point in this process, was further than we had ever come and that involved a lot of work of weekends – but ultimately if

we use this action to springboard to full bicameral engagement on the package that can go to the White House it will all be worth it.

"I look forward to passage, and continuing this process with the other chamber to also embrace this underlying policy and ultimately identify offsets that will get this badly needed policy into law."

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