

U.S. Representative Allyson Y. Schwartz
Representing the 13th Congressional District of Pennsylvania

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SCHWARTZ URGES JOINT SELECT COMMITTEE ON DEFICIT REDUCTION TO REPEAL SGR

Washington, D.C.—U.S. Rep. Allyson Schwartz, along with 113 Members of Congress, sent a bipartisan letter to the Joint Select Committee on Deficit Reduction today, urging the Committee to repeal the Medicare physician payment system known as the “sustainable growth rate” or SGR.

“For over a decade, the existing Medicare physician payment system has created uncertainty and instability, not only in the health care system, but in the larger economy,” Schwartz said. “As we begin to transform our health care system to improve quality and reduce costs, we must first stabilize reimbursements. The Joint Select Committee has a historic opportunity to take concrete action to move beyond a policy that has failed taxpayers, Medicare beneficiaries, and those on the front line of patient care. The overwhelming bipartisan support for this letter speaks to the urgency and importance of tackling this issue now. True deficit reduction cannot be achieved without first addressing the significant debt in our nation’s largest health program.”

“To ensure patient access to physician care, we must permanently fix the Medicare sustainable growth rate formula (SGR),” said Rep. Phil Roe (R-TN), one of 21 Republicans to sign on to the letter. “Physicians are currently threatened with a 29.5 percent cut in their payments unless Congress can end these budgetary games. A cut of this magnitude would leave many, if not most, Medicare patients without access to physicians. Fixing the SGR will help bring stability to our medical system.”

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Honorable Patty Murray
U.S. Senate
Washington, DC 20510

Honorable Jeb Hensarling
U.S. House of Representatives
Washington, DC 20515

Honorable Max Baucus
U.S. Senate
Washington, DC 20510

Honorable Dave Camp
U.S. House of Representatives
Washington, DC 20515

Honorable John Kerry
U.S. Senate
Washington, DC 20510

Honorable Fred Upton
U.S. House of Representatives
Washington, DC 20515

Honorable John Kyl
U.S. Senate
Washington, DC 20510

Honorable James Clyburn
U.S. House of Representatives
Washington, DC 20515

Honorable Rob Portman
U.S. Senate
Washington, DC 20510

Honorable Chris Van Hollen
U.S. House of Representatives
Washington, DC 20515

Honorable Patrick Toomey
U.S. Senate
Washington, DC 20510

Honorable Xavier Becerra
U.S. House of Representatives
Washington, DC 20515

Dear Colleagues:

On behalf of Medicare beneficiaries and taxpayers across the nation, we urge you to include a long-term solution to the broken Medicare physician payment system as an integral component of any deficit reduction proposal set forth by the Joint Select Committee on Deficit Reduction. For a decade, the fundamentally flawed Medicare physician payment system has created uncertainty and instability not only in the health care system but in the larger economy. Through this deficit reduction process, Congress has an historic opportunity to implement sound fiscal policy in the Medicare program in the context of broad economic reforms.

As you know, the Balanced Budget Act of 1997 created the sustainable growth rate formula (SGR) in an attempt to control spending in the Medicare program. For ten years, this methodology has consistently produced unrealistic expenditure targets, which subsequently trigger untenable reductions in payment rates.

For far too long, we have buried the true cost of this failed policy through annual Congressional overrides of these scheduled cuts. Each of these short-term “fixes” have achieved the most important goal of averting an immediate crisis in access to physicians for Medicare beneficiaries—while exacerbating a longer-term crisis in Medicare financing.

On January 1, 2012, physicians face a scheduled reduction in Medicare payments of nearly 30 percent. We are presented with an important choice: continue to distort the picture of our nation’s fiscal status with another short-term solution or restore fiscal transparency to the Medicare program by eliminating the \$300 billion debt that has accumulated as a result of the SGR.

We urge you to include a full repeal of the SGR, to stabilize current payment rates to ensure beneficiary access in the near-term, and set out a clear path toward comprehensive payment reform. Failure to take advantage of this opportunity to permanently address the SGR means that the cost of a remedy over five years could double to nearly \$600 billion.

We join together to urge bipartisan Congressional action to put an end to the fiscal irresponsibility that has defined Medicare payment policies for a decade. True deficit reduction cannot be achieved

without addressing the significant debt in our nation's largest health program. The sustainable growth rate must be repealed and replaced by a payment system that promotes efficiency, quality and value and ensures access to medical services for Medicare beneficiaries.

We appreciate your attention to this issue and look forward to working with you as you prepare your deficit reduction plan.

Sincerely,

Allyson Y. Schwartz

Pete Stark

Frank Pallone, Jr.

Lois Capps

Joseph Crowley

Henry Cuellar

Barney Frank

Marcy Kaptur

Danny K. Davis

William Lacy Clay, Jr.

Tom Latham

Betty Sutton

Carolyn Maloney

Donna Christensen, M.D.

Charlie Gonzalez

John Carney

Jim McDermott

John Conyers, Jr.

Nick Rahall

Yvette D. Clarke

Todd Akin

Lou Barletta

Laura Richardson

Mike Thompson

Paul C. Broun, M.D.

Jesse Jackson, Jr.

Chellie Pingree

Gary Ackerman

Dennis J. Kucinich

George Miller

Karen Bass

Gene Green

Earl Blumenauer

Hank Johnson

Jerry Costello

John Tierney

Carolyn McCarthy

Howard Berman

Phil Roe, M.D.

John Dingell

Dan Burton

Peter DeFazio

Patrick Meehan

André Carson

Lynn Woolsey

Richard Neal

Steve Rothman

Chris Murphy

Bruce Braley

David Price

Jim Himes

Marsha Fudge

Mike Honda

Reid Ribble

Bill Pascrell

C.W. Bill Young

John Carter

Gary Peters

C.A. Dutch Ruppersberger

Jackie Speier

Peter Welch

Elton Gallegly

Robert Aderholt

Gerry Connolly

Jan Schakowsky

Doris Matsui

Charles B. Rangel

Judy Chu

Keith Ellison

John Tierney

Linda Sanchez

Cedric Richmond

Maurice D. Hinchey

Ed Markey

Don Young

Kevin Yoder

Henry Waxman

Anna Eshoo

Walter Jones

Sam Farr

Mark Critz

Joe Courtney

Dennis Ross

David McKinley

Bill Owens

Mike Doyle

Eleanor Holmes Norton

Edolphus Towns

Mike Michaud

Susan Davis

Bob Filner

Silvestre Reyes

John Lewis

Vicky Hartzler

Dennis Cardoza

Brad Miller

Russ Carnahan

Brian Bilbray

Mike Fitzpatrick

Albio Sires

Ben Chandler

John Yarmuth

Tim Bishop

John Garamendi

Joe Heck, DO

Ed Perlmutter

Chaka Fattah

Paul Tonko

Gregory W. Meeks

Elijah Cummings

Tim Walz

Ruben Hinojosa

Diana DeGette

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