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February 7, 2013

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## **Energy and Commerce & Ways and Means Outline Collaborative Medicare Physician Payment Reform Effort**

*Upton and Camp Lead Effort, Calling on Stakeholders to Work with Lawmakers to Help Develop  
Permanent Solution that is Fiscally Responsible and Free of Politics*

WASHINGTON, DC –Today, Energy and Commerce Committee Chairman Fred Upton (R-MI), Ways and Means Committee Chairman Dave Camp (R-MI), Energy and Commerce Health Subcommittee Chairman Joe Pitts (R-PA), Ways and Means Health Subcommittee Chairman Kevin Brady (R-TX), and Health Subcommittee Vice Chairman Michael C. Burgess, M.D. (R-TX) provided an update on the committees' collaborative efforts to repeal the Sustainable Growth Rate (SGR) formula and advance a permanent solution for the long-troubled Medicare physician payment system.

The two committees both focused extensive energies during the 112th Congress to establish a foundation for SGR repeal and payment reform. As noted in the [framework for reform](#), in addition to numerous hearings, both committees, under the leadership of Upton and Camp, pursued significant stakeholder outreach to identify innovative payment and delivery models being developed in the private sector.

The extensive stakeholder input received to date was used to develop the principles for SGR Repeal and Payment Reform. The framework, which underscores that the proposal will be fiscally responsible and will not add to the deficit, also lays out a three-phase process for repeal and reform. Outlining the process, the committee leaders asked interested parties to provide feedback on the outline by February 25, 2013. Comments can be sent to [SGRComments@mail.house.gov](mailto:SGRComments@mail.house.gov).

The proposal seeks to:

- **PHASE 1:** Repeal the SGR and provide a period of predictable, statutorily-defined physician payment rates;
- **PHASE 2:** Reform Medicare's fee for service (FFS) physician payment system to reward physicians who provide high quality care; and
- **PHASE 3:** Build upon the improvements made in Phase 2 by also rewarding physicians who deliver efficient care.

Commenting on the work the two committees will be doing together Chairman Upton and Subcommittee Chairman Pitts said, "For far too long, the only thing certain about the

complexity of the problem and financial burden on taxpayers has snowballed. With valuable input from doctors, stakeholders, and our colleagues in the GOP Doctors Caucus who have a first hand understanding of the issue, we have developed a thoughtful framework to repeal SGR and reform the current system. And we are dedicated to ensuring these reforms will not add a dime to the deficit. Members on both sides of the aisle recognize the need to act, and we look forward to bipartisan collaboration on long-term solutions.”

Chairman Camp stated, “For too long, doctors and the Medicare patients they serve have been trapped in an outdated and inefficient one-size-fits-all payment system that penalizes doctors who deliver high-quality, efficient, and effective care. It is time to bring Medicare into the 21st century. Achieving that goal will be an all hands on deck effort, and we want all the stakeholders – doctors, patients, and others – to be a part of that process. They’ve already begun sharing their ideas and experiences, and I hope they will reflect on this initial set of principles and continue that dialogue.”

Emphasizing the bipartisan desire to reach a solution, Ways and Means Subcommittee Chairman Kevin Brady added, “We want to make sure that seniors can see doctors who they know, and who know them. It is critical to make sure that we have a Medicare system that is responsive to our Medicare beneficiaries, and that is how we need to approach this process. Democrats and Republicans alike have come to the table with their own ideas and that input will be critical to ensuring that the solution we reach puts doctors and patients before politics. I am confident that working together we will get there.”

Health Subcommittee Vice Chairman Michael C. Burgess, M.D., Co-Chair of the Congressional Health Caucus and a member of the Doctors Caucus, which has long sought a permanent solution to the flawed SGR payment formula, added, “Ensuring that the SGR is repealed and replaced with a payment system that preserves access to care continues to be one of my top priorities. This proposal is a serious step in that direction, and I thank Chairmen Upton and Camp for their leadership. Our committees have and will continue to work together between the committees of jurisdiction, across the aisle, and with the provider community in this effort.”

Enacted in 1997 as part of the “Balanced Budget Act,” the Sustainable Growth Rate (SGR) has been a source of continued concern for physicians who serve Medicare beneficiaries and for the beneficiaries themselves. Long recognized as an imperfect solution that rewards quantity of services rather than the quality of care, Congress has repeatedly implemented a temporary “Doc Fix” to prevent substantial Medicare reimbursement rate cuts, which could result in fewer physicians being able to serve Medicare patients.