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Pallone Helps Broker Proposal to Fix Medicare Doctor Payment System

*Congressman Announces Movement on Bipartisan Plan to Reform Broken Medicare
Physician Payment System*

LONG BRANCH, NJ—Congressman Frank Pallone, Jr. announced that the long-plagued Medicare doctor payment system, the Sustainable Growth Rate (SGR), is a step closer to being fixed as a result of bipartisan proposal he helped draft. Congressman Pallone serves as the senior Democrat on the House Energy and Commerce Subcommittee on Health and he is the lead Democratic sponsor of the bill, playing a pivotal role in negotiating a policy to ensure that doctors will continue to participate in Medicare, as well as reforming to system to be one that rewards quality of care over volume. The bill is scheduled to be marked up in the Congressman's Health Subcommittee on Tuesday, July 23. Pallone sponsored the bill upon hearing from thousands of seniors at events, meetings and telephone town halls about their concerns of losing their doctors due to the flawed law.

Pallone made his announcement at a senior breakfast in New Jersey, where he explained to the crowd that, if the proposed legislation is passed, it will result in a long overdue correction in the law governing payment rates for doctors making Medicare more stable and sustainable.

“We are a step closer to ending this problem once and for all and I am proud to have played a central role in making sure that this flawed system is on a path to be fundamentally changed and fixed,” said Pallone. “Fixing the SGR will ensure that doctors will continue to participate in Medicare and seniors will continue to have access to the physicians of their choice. It is the right thing to do and by reaching this bipartisan agreement Medicare recipients continue to receive the health care services they need and deserve.”

The Pallone bill repeals the flawed current SGR system and replaces it with a stable period of payments, giving certainty to doctors and patients alike. If passed, the bill will allow physicians to continue to provide health services without fear of losing compensation. Previously, Congress has passed a variety of stop-gap measures to prevent dramatic cuts to the formula every year for nearly a decade. Instead of looming cuts, doctors will be rewarded for quality of care they provide to Medicare beneficiaries.

“Improving and strengthening Medicare so that the program can serve as a reliable resource for seniors for years to come is critically important,” said Pallone. “Seniors should have confidence that their doctors will continue to treat them, and a permanent fix to the flawed physician payment system achieves that goal.”

Pallone’s bill takes Congress a step closer to resolving a many years-long problem that has threatened the ability of doctors to continue to treat Medicare patients. Pallone, who was a principal author of President Obama’s landmark health care reform bill, the Affordable Care Act, reached across party lines to develop an agreement on the SGR with House Republicans, including Congressman Michael Burgess of Texas, who serves as the Health Subcommittee's Vice Chair.

“This draft still needs to be strengthened, but we have taken a major leap forward in the process,” said Pallone. I am cosponsoring this legislation not because the proposal is perfect—it certainly isn’t—but because the process is a good one and we simply cannot continue to kick this can down the road. Congress needs to do more of this type of constructive, bipartisan work to help not only seniors, but the nation as a whole. I recognize that we still have work to be done, but this is a huge step in the right direction.”

Pallone noted that he will continue working with members of Congress on both sides of the aisle, as well as all stakeholders and seniors, to continue to make improvements to the bill as the process moves forward.

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