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May 28, 2013

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Committee Continues Transparent Medicare Physician Payment Reform Process – Releases Draft Legislative Framework

Subcommittee on Health to Hold Hearing on June 5 – Leaders Continue Seeking Feedback from Stakeholders

WASHINGTON, DC – House Energy and Commerce Committee leaders today unveiled [draft legislation](#) to repeal the current Sustainable Growth Rate (SGR) system and replace it with a fair and stable system of physician payment in the Medicare program. The draft legislation is the latest step in the transparent process to reform the system and reward providers for delivering high-quality, efficient health care. On February 7, the Energy and Commerce and Ways and Means Committees outlined a [framework](#) (<http://energycommerce.house.gov/press-release/energy-and-commerce-ways-and-means-outline-collaborative-medicare-physician-payment-reform-effort>) to reform the current Medicare system that is fiscally responsible and free of politics. Committee leaders sought feedback and in early April outlined additional [details](#) (<http://energycommerce.house.gov/sites/republicans.energycommerce.house.gov/files/analysis/20130403SGR.pdf>) of a proposal to repeal and replace the current Sustainable Growth Rate system. The Subcommittee on Health has scheduled a hearing on the draft legislation for June 5.

The draft legislation unveiled today incorporates feedback received from stakeholders on the initial proposal. The policy would repeal SGR and, in return, replace it with an improved fee for service system in which providers - working with the Secretary of Health and Human Services - develop quality measures that will lead to better care in a more efficient manner. Better quality care will lead to better outcomes and put a greater emphasis on efficiency which can lead to cost savings. In addition, providers will have the option of leaving the fee for service system and opt instead for new ways of delivering care that put an even greater emphasis on quality and efficient care. New models of care are predicated on the belief that new ways of delivering care can mean more time with patients and more savings to the system.

“Unveiling our committee’s draft legislation is an important milestone in our thoughtful, collaborative efforts to repeal SGR. We are working to restore certainty, fiscal sanity, and we will responsibly pay for these reforms,” said full committee Chairman Fred Upton (R-MI). “We have made great progress, and the committee continues to seek stakeholder input as the legislative framework evolves. We will continue working closely with Ways and Means Committee Chairman Camp as well as maintain our ongoing dialogue with committee Democrats as we work toward long-term solutions in the effort to improve quality of care.”

Health Subcommittee Chairman Joe Pitts (R-PA) said, “Today, we take the next step forward in solving a problem that has been kicked down the road too many times. This framework continues an open and transparent process of replacing the SGR. I am grateful for all of the contributions we’ve received so far, and we are now closer than ever before to achieving a solution. I’m confident that an honest, open process can help us build a stronger, more reliable Medicare program for doctors and patients. I look forward to continued feedback from stakeholders on ways that we can improve this framework as we work toward the goal of bipartisan reform.”

Health Subcommittee Vice Chairman Michael C. Burgess, M.D. (R-TX), added, “With this release, the Committee on Energy and Commerce continues momentum toward a repeal of the SGR, a goal that I have worked toward my entire congressional career. This discussion draft carries the trend of soliciting more provider feedback than at any point in history on this issue. I look forward to hearing from all stakeholders on the policies under

consideration. Ultimately, we are taking an important next step with this release by showing providers that we are committed to repealing the SGR and maintaining the option of fee for service for providers, while improving the Medicare program.”

Committee leaders continue to seek feedback from interested stakeholders and request comments be sent to SGRComments@mail.house.gov by June 10.

BACKGROUND: Enacted in 1997 as part of the “Balanced Budget Act,” the Sustainable Growth Rate 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.

Details on the June 5 hearing will be posted [here](http://energycommerce.house.gov/hearing/legislative-hearing-medicare-physician-payment-reform) (<http://energycommerce.house.gov/hearing/legislative-hearing-medicare-physician-payment-reform>) .

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