



SGR Repeal Talking Points

HR 2, the Medicare and CHIP Reauthorization Act

You and every other Texan in Congress have promised us you want to repeal Medicare's Sustainable Growth Rate (SGR) formula. I expect you to make good on that promise.

The SGR formula was created 18 years ago. It hasn't worked to control Medicare costs. It's time to repeal it. The only thing it has done is threaten physicians year after year with huge Medicare cuts ... and force you and others in Congress to spend time patching over the proposed cuts.

We physicians are tired of the never-ending uncertainty; the never-ending threats to cut Medicare pay; the never-ending need to lobby Congress on the same, never-ending problem. Our patients are tired of the never-ending fear of losing their doctor. Eighteen years and 17 patches is enough.

Passing this bill would be great news for the 4 million elderly, people with disabilities, and military family members in Texas whose access to health care is endangered by the SGR. It would be great news for the 270,000 Texans who work in doctors' offices.

We are closer than ever to getting rid of the SGR and moving on to more important issues. Please support HR 2, the Medicare and CHIP Reauthorization Act. Please keep your promise.

The "cost" of repealing the SGR is fake. Thankfully, Congress has prevented the SGR cuts from taking effect 17 times. As Americans for Tax Reform reminds us, "Congress will continue to not impose SGR cuts. To pretend that it will, and then demand spending cuts to 'pay for' repealing it, is cognitive dissonance of the highest order. ... Getting rid of it is simply not a budgetary event."

The SGR hides the true cost of Medicare. Pretending that the SGR will someday take effect and someday hold down Medicare spending in the future makes Medicare look much stronger than it actually is. Those assumptions helped the Obama Administration rationalize the numbers that supported the passage of the Affordable Care Act. As *The Wall Street Journal*, puts it, "The practical result has been to disguise future spending from the federal budget and thus hide Medicare's true cost."

The SGR repeal bill itself makes important and significant changes in Medicare financing. The package does more than eliminate the SGR; it profoundly reforms how Medicare pays physicians for health care services. It also pays for some of the cost of repealing the SGR with changes in

Medicare premiums and Medigap coverage for the wealthiest retirees. Long-term, those are some huge savings — estimated at up to \$295 billion over the next 20 years.

The SGR stands in the way of real health care reforms. The constant patches and negotiations over the “doc fix” bills distract you and us from the significant structural reforms we want. We’ll never get to them as long as the “doc fix” is on the agenda ahead of them every year.