Support Permanent Repeal of the Medicare SGR

Background
For the past 12 years, the Medicare sustainable growth rate (SGR) formula has impeded stability in the Medicare program for beneficiaries and providers. During that time, Congress has intervened 17 times to temporarily suspend the payment cuts called for by the SGR formula. At a total cost of $169.5 billion, these patches have now cost more than permanent repeal would cost1. Short-term patches do not solve the problem—a permanent solution is needed to ensure the future integrity of the Medicare program.

Problem
Unless Congress acts, a 21-percent physician pay cut for Medicare services will begin April 1. Uncertainty in the Medicare program exacerbates the availability of qualified specialists across the US. And as demonstrated over the past decade, short-term patches are fiscally irresponsible and unnecessarily delay full repeal.

Consequences
The time for Congress to act is now. Failure to capitalize on the bipartisan, bicameral solution developed in the last Congress threatens to jeopardize access to Medicare services. Enrollment in Medicare is rapidly growing as 10,000 new enrollees enter Medicare every day. Access to physicians will suffer for the Medicare population as the gap between payments and practice costs grows wider.

Solution
Support permanent repeal of the SGR before April 1 by passing the SGR Repeal and Medicare Provider Payment Modernization Act of 2014, which was supported by more than 600 national, state, and specialty organizations. This legislation also included meaningful physician payment and health care delivery reforms. Moving past fee-for-service and enabling long-term implementation of alternative delivery and payment models would chart a course toward greater value and sustainability of the Medicare program.

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1 CBO cost estimate to permanently repeal the SGR is $137.4 billion (February 2015)