**Talking Points and FAQs for SGR Advocacy Visits**

**February 2015**

**Key message points:**

* Few legislative days remain before the current Medicare physician payment patch expires on March 31, 2015. If Congress does not pass Medicare physician payment reform by its self-imposed deadline, we will be confronting an 18th payment patch.
* The often repeated excuse that “there isn’t enough time” is simply unacceptable at this point. Seventeen patches have been passed over a 12-year period--more than enough time to work through the details of comprehensive reform.
* Over the years, a lack of consensus was an obstacle; questions were raised about what kind of payment system should replace the sustainable growth rate (SGR) formula. That problem was resolved last Congress, when a bipartisan, bicameral bill was developed and passed by the three committees with jurisdiction over Medicare.
* That bill (known in the 113th Congress as H.R. 4015 and S. 2000) was supported by over 600 national and state medical societies and specialty organizations. The bill was also supported by other stakeholder groups, including patient and provider organizations, policy think tanks, and advocacy groups that span the political spectrum.
* Central to this support is that the legislation would not simply eliminate the flawed SGR formula. It also included meaningful physician payment and health care delivery reforms, as well as a viable pathway for their development and broad adoption. By moving the program beyond strict reliance on fee-for-service and enabling long-term implementation of alternative delivery and payment models, these bills represent real, structural changes to the Medicare program that chart a course toward greater value and sustainability.
* The hard work done in the last Congress has not been lost; support for the underlying policies that would be established by these bills remains. The only obstacle remaining for this new Congress to pass H.R. 4015/S. 2000 is reaching agreement on budget offset issues.
* Congressional leaders need to initiate the same sort of bicameral, bipartisan process that was used to develop these bills, and reach consensus on a framework for budget offsets that can pass both chambers and be signed into law. But until these conversations take place, the stalemate will continue.
* We are asking members of Congress to urge their leaders to engage in a bipartisan, bicameral dialogue so that we can all put the SGR behind us and start down the road to real Medicare reform. The election is over, and it is time for lawmakers to govern responsibly. Time is running short.

**Frequently asked questions:**

**Q.1 What budget offsets would physicians recommend for financing the cost of Medicare physician payment reform?**

We have heard many opinions from Members of Congress about the offset issue—not only about the acceptable funding sources but also about whether or how much Medicare physician payment reform must be offset. Clearly, some ideas have limited or partisan support and are unlikely to be passed by both the House and Senate and then be signed into law. That is why we are asking that bipartisan, bicameral discussions begin as soon as possible so that an overall framework can be negotiated. Does the entire cost of reform need to be offset? If not, what is the threshold? What kind of offsets will generate the broadest support? Do offsets have to come from Medicare or from health programs only? Are there other policy proposals with long-term potential for savings that a bipartisan majority would see as a good alternative to fully offsetting the cost of the legislation? Questions like these need to be answered through good faith negotiations among the lawmakers. Medicine is willing to come to the table and help refine any ideas, assess their feasibility, and offer technical assistance. But we aren’t interested in politically charged “poison pills” or partisan games that pit one side against the other. Let’s first reach an understanding on the overall framework that has been negotiated. Then we can have a serious discussion about specific offsets.

**Q.2 The next scheduled payment cut is set to take effect on April 1, which is not enough time to reach the kind of agreement you seek. Why can’t we pass another short-term patch so we have more time to address the offset issue?**

The April 1 deadline was established by Congress as the result of the last 12-month patch. This flawed logic of extending the deadline to provide more time has been applied 17 times. At this point it seems safe to say that this approach has failed.

**Q.3 Last year, several physician groups actually opposed passage of the current 12-month patch. Will that happen again this year if an agreement is not reached by the deadline and Congress passes another temporary patch?**

We don’t know of any physician group that supports short-term patches any more. Frankly, our physician members are just fed up with the uncertainty and the practice disruptions that have been caused by delays and patches. How medicine reacts will likely depend on the details of a patch, and whether or not physicians believe that Congress is still serious about real reform. We will need to consider what progress has been made toward resolving the outstanding offset issues, and the pathway that Congress presents for enacting legislation this year**.**

**Q.4 But is full repeal really all that important? Congress has shown that it will not allow deep Medicare physician payment cuts to take effect. What is the real harm in continuing to pass short-term bills?**

Repeatedly kicking the can down the road is having a real impact on physician practices, as well as on federal spending.

Congress does not always pass these short term “fixes” on time, and there have been several years where more than one payment patch was required. As a result, practice revenues are unpredictable and cash flow problems can occur. This does not create the right environment for physicians to make the kind of practice investments and workflow changes that are required to implement the sort of health care delivery reforms that both government programs and the private sector want to encourage.

Further, Congress has already spent far more on these short-term fixes than it would cost to repeal the SGR altogether. These bills have been offset through permanent payment cuts and policy changes affecting both physicians and other Medicare providers—permanent changes have been made to provide temporary solutions without ever addressing the underlying problem. The savings used for short-term SGR patches could have been used to address other issues and needs. In addition, the most viable policy changes to offset the costs have all been implemented and offsets are getting increasingly difficult to find. This is fiscally irresponsible and is a poor way to manage a program like Medicare that is so important to millions of Americans.

**Q.5 Shouldn’t we wait and address this issue as part of broader entitlement reform?**

There are many entitlement reform proposals that at least some physician groups would be willing to support. The specific reforms that may be supported by a bipartisan majority in both houses of Congress is a different question that needs to be resolved through lawmaker negotiations. However, we feel strongly that SGR repeal should not be held hostage while the details of broader reforms are being worked out.