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HATCH STATEMENT AT FINANCE COMMITTEE ROUNDTABLE DISCUSSION ON MEDICARE PHYSICIAN PAYMENTS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks at a committee roundtable discussion on the sustainable growth rate (SGR) formula within the Medicare physician fee schedule:

Chairman Baucus, thank you for convening today's roundtable on this important issue — one that affects our nation's caregivers and patients. This is a distinguished panel and an encouraging forum for promoting a bipartisan solution to the critical problem posed by Medicare physician reimbursement.

As many of you know, Chairman Baucus and I have both called for repeal of the flawed SGR payment formula. No one likes the annual end-of-year scramble to stop catastrophic payment cuts to physicians serving Medicare beneficiaries.

Yet, while there is broad agreement that our current situation is not tenable, a solution has eluded the Congress to date.

The flawed SGR policy really is a two part problem. The issue that typically receives our attention is how we pay for a repeal, or temporary fix, of the formula.

But the problem we hope to address today is more challenging.

How do we move beyond the SGR?

If we repeal the SGR or *freeze* physician payments for an extended period of time, we have only kicked the can down the road.

We have not fixed the system. We have only left it for others to address.

We must work toward a more permanent solution, one that makes real advancements in how we pay for and deliver care.

We must provide a stable foundation for paying physicians today and tomorrow, not five or ten years from now.

And we must accept that many of the proposals advocated for today are, at best, years away from broad implementation and, quite possibly, will never work for many sole practitioners or small group practices treating Medicare beneficiaries.

Chairman Baucus, thank you again for convening this roundtable. I look forward to hearing from our witnesses. My hope is that we will not get distracted by the budget issues with which we are all well aware. Instead, I look forward to a fruitful discussion about the steps we must take to address this complex issue and encourage practical and realistic solutions. I hope this is the beginning of a meaningful discussion for our Committee.

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