

The United States Senate
COMMITTEE *on* **FINANCE**
CHAIRMAN RON WYDEN, D-OREGON



www.finance.senate.gov | @SenateFinance

FOR IMMEDIATE RELEASE

Contact: Ken Willis (202) 224-4515

March 13, 2014

U.S. Senator Ron Wyden Senate Floor Statement Medicare's Physician Payments

March 12, 2014

Mr. WYDEN. Mr. President, I rise this afternoon to talk about the Medicare Program, which of course, is a lifeline--a guarantee for 50 million older Americans. In particular what the Senate wants to do is make sure that those older people have access to primary care doctors, nurse practitioners, specialists, and other providers in their local communities because they provide critically needed care to our seniors day in and day out.

Many of those seniors have no idea that by March 31--just a few weeks from now--Congress has to act on their behalf to preserve access to the care that seniors depend on. Suffice it to say those providers would much rather be delivering the care than waiting for this Congress to act.

Now, fortunately, there is a roadmap for getting this done--getting good care to seniors not just for a short period of time but, I say to my colleagues, once and for all. And I wish to this afternoon urge my colleagues to seize this opportunity.

Beginning my remarks, I declare I can take little credit for the opportunity before us. The path that got us here, that got us started in the effort to make the needed reforms to protect our seniors, is a direct result of the leadership of my friend and colleague Senator Orrin Hatch. Just as Senator Hatch has done so many times over the course of an illustrious career, he was key to forging a bipartisan solution to a challenging, longstanding problem.

So what I would like to do in the beginning is to recognize that effort by Senator Hatch; my predecessor as chairman of the Finance Committee, Senator Baucus; House Ways and Means chairman Dave Camp; House Ways and Means Ranking Member Sander Levin; House Energy and Commerce chairman Fred Upton; and House Energy and Commerce Ranking Member Henry Waxman. The work they have been doing over the last few months is exceptional. In effect, they have given us the opportunity to take this flawed system of setting a kind of Medicare budget known as SGR--sustainable growth rate--they have given us the opportunity to repeal and replace this flawed system with one that I think is going to make a huge difference in the days ahead by pushing up the goal of good-quality affordable care and doing it in a bipartisan way. I hope these colleagues will take it as a compliment that the SGR bill now before the Senate incorporates all of that good bipartisan work they have been doing, along with the work that was done on the Senate Finance Committee.

I see our colleague from North Carolina, who has contributed mightily to that effort, as well as, of course, the Presiding Officer of the Senate Senator Brown, who has been such an eloquent spokesperson, particularly for those without political power and political clout. I thank both of them for their efforts.

To be specific, the legislation I introduced last night incorporates what those six Members agreed to--the six Members I just named, the three Democrats and the three Republicans--in [S. 2000](#). In effect, that legislation, along with the health extenders passed by the Senate Finance Committee in [S. 1871](#), is essentially what we have the opportunity to move in the days ahead. Every single item in this bill has strong bipartisan support, and I hope we can all come together and with resounding bipartisan support get this bill passed before March 31.

There are a variety of reasons why Democrats and Republicans, in my view, can band together and repeal and replace what I have characterized as a flawed, really dysfunctional system we have today known as the SGR, but before I go through the list of reasons, I wish to make clear to my colleagues--colleagues who know me--that I am interested in sound, sensible policy and that we move in a bipartisan way--not politics, not message, but sound policy.

That is why I am here on the floor today. I have always tried to make it possible for both sides to secure their principles--principles that are important to them--and still allow us to go forward in a bipartisan and innovative fashion to get things done.

I will say to my colleagues, it is not possible any longer to just put one patch or another up and say we are going to fix the Medicare challenge. It is not going to work.

For the last 10 years Congress has always blocked these cuts. So I say it is time to stop pretending these upcoming cuts--fittingly scheduled for April Fools' Day--are any more real than the 16 times the Congress has intervened. What we ought to do, I say to my colleagues, is stop playing Medicare make believe. It is time to set aside a flawed formula that prevents the Congress from really moving ahead constructively on Medicare and to start with a clean slate.

I thought the Wall Street Journal editors really summed it up very well on February 19. In talking about the bipartisan bill I laud tonight, the editors of the Wall Street Journal said: "Simply pass the bill as is and forgo the pretense of fake-paying for it." We need to think about those words. The editors of the Wall Street Journal basically said this is all a bunch of fakery because the cuts aren't going to be made, the savings aren't going to be realized, because we have tried that route. So the Wall Street Journal said pass this good bipartisan bill.

If the Congress fails to fully repeal the flawed Medicare payment formula now, I believe there will be cuts to other providers--hospitals, home health care providers, drug companies, skilled nursing facilities. Make no mistake about it. Those providers are going to be the ones who pay for yet another patch. So a lot of this budget fakery isn't real, but the people who are going to pay for the patch are going to face very real cuts.

In total, the 16 bandaid patches have already cost \$150 billion. That is the same cost as fully repealing and replacing the flawed SGR plus taking care of the health extenders. Those cuts, as I have indicated, have largely been paid for in the past by cuts to other providers. In the last 2 years alone, the hospitals have been forced to produce nearly \$30 billion to pay for the temporary patches.

Under the status quo, the SGR will always call for cuts that are too steep for providers to bear and Congress will step in with yet another patch paid for by still more cuts to other providers. How can we make a case for more of the same, especially when we have an opportunity to not only repeal the flawed formula but

also to enact reforms that finally move Medicare away from the flawed fee-for-service approach that rewards quantity instead of quality and value?

Second, I offered the Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014 in order to eliminate the ongoing threat to our seniors and the providers who serve them. Under this legislation, which reflects the bipartisan, bicameral legislation Senator Hatch and Senator Baucus offered last month, physicians would receive annual payment increases of .5 percent for 5 years. The following 5 years physicians would not receive automatic increases but, rather, would be eligible for payment increases based on performance. Medicare would transition to a new focus--on greater equality, value, and accountability.

This legislation would strengthen Medicare physician payments in a number of ways. It would reward the quality of care. It would improve payment accuracy. It would expand the coordination of care for patients with chronic care needs. It would encourage participation in alternative models of payment.

The bill addresses other critical Medicare and Medicaid issues. They are known as health care extenders. With these extenders, it would be possible for the Congress on a bipartisan basis to ensure that low-income seniors can have affordable Medicare premiums and guarantees that beneficiaries will have access to the therapies they need.

Under the bill, rural beneficiaries will have the security of knowing the hospitals and physicians will be there when they need them. I know rural health care, for my friend from North Carolina, my friend from Iowa, and the Senator from Ohio, is a priority. If we pass this bill, which was put together by the bipartisan group in the House and Senate, we give a big boost for rural health care and the services seniors depend on under Medicare.

Finally, something I am especially proud of because Senator Grassley was good enough to work with me for a number of years on it is this would significantly expand Medicare transparency. This legislation would open Medicare's treasure trove of payment data and patients would have the information they need to make informed choices about their care. Researchers and professionals will have the data needed to develop evidence-based methods. So this afternoon, in addition to thanking the colleagues I have already mentioned, I thank Senator Grassley for all of those years working with me. Senator Harkin knows Senator Grassley has been a strong advocate for transparency in health care and other vital services, and we see his good work in this bill.

This bill is bipartisan. It doesn't cut providers or increase cost-sharing for seniors. I defer to my colleagues to decide if it is better to offset the costs of SGR repeal by reducing future war spending or unpaid for, but the bottom line is the same: We ought to act now. We should act now and put this flawed formula known as the SGR, which has produced Medicare migraines for frustrated providers and seniors alike, behind us.

Every single thing in the bill I offer today has strong bipartisan support, and it represents a compromise.

I know this isn't an easy vote for colleagues on either side of the aisle, but I submit that it sure means we will be able to accomplish what we were sent here to do--to find a way to do what is best for seniors and the doctors who care for them. With that clean slate--and I have enjoyed talking to the Presiding Officer about this because I think what this bill is all about is doing what is right for seniors, doing what is right for the doctors, setting in place a plan for the future that ensures seniors are going to get better care that in many instances will cost less. That is what I hope Senators will take home after we break tomorrow for the work period.

This is a chance to do what is best for seniors, what is best for doctors, and what is going to pay off for taxpayers in the long run.

Nobody wins with Medicare make believe. After these 16 patches, when we have the Wall Street Journal editors joining with seniors and providers and we have a bill that has strong bipartisan support, I think this is the kind of measure Senators ought to flock to.

I will close by saying we all know the public is frustrated with a fair amount of what happens in the Congress, and there is a fair level of disappointment. The Senator from North Carolina and I were talking about a variety of issues on this point this morning. But I look around this Chamber and I see Senators who have spent a significant amount of time in public life, and a number of colleagues who are on the floor, I am old enough to remember joining them in the other body before we came to the Senate, and we are here for a purpose. We are here to get things done. On this Medicare issue, which suffice it to say has been one of the most polarizing in the American public debate--in fact, I would venture to say that on the domestic side of the budget, there are few issues that have been as divisive and polarizing as Medicare--this is an opportunity, colleagues, to check the partisanship at the door, come together, and set in place a new system of paying providers under Medicare that is going to produce better quality at lower costs. We ought to support it in a bipartisan manner.

With that, I yield the floor.

###