

Agreement on short-term SGR 'patch' fails to ensure access to care or advance needed reforms

February 16 2012

Our organizations, representing nearly 400,000 physicians and medical student members, are deeply disappointed by the agreement in Congress to enact another short-term "patch" that neither solves, nor moves us closer to solving, the Medicare physician payment crisis. We are especially frustrated because Congress has had a short-lived window of opportunity to eliminate the Medicare Sustainable Growth Rate (SGR) formula, once and for all, using unspent monies for overseas military operations.

On January 31, the physician leaders of our organizations came to Washington to urge the Senate and House leadership and conference committee members to reallocate Overseas Contingency Operations (OCO) funds (which the [Pentagon](#) says will never be spent) to permanently repeal the SGR. We pointed out this would enable Congress to eliminate all of the accumulated and future scheduled payment cuts created by the SGR, while producing a more accurate and fiscally responsible budget. Use of unspent OCO funds to repeal the SGR has almost universal support from organizations representing [physicians](#), hospitals, and [seniors](#).

Yet despite our efforts—and the valiant efforts by some members of Congress, Republicans and Democrats alike, to persuade their colleagues to reallocate the OCO funds to repeal the SGR, the agreement will end up with Congress doing what it has done repeatedly: putting off repeal

and permanent reform until another day.

Like all of the many other short-term patches that Congress has enacted over the past nine years, the agreement fails to provide the stability in [Medicare](#) payments needed to ensure patient access to care and to advance comprehensive payment reform. After this latest 10-month extension expires, the next cut will be steeper—an estimated 32 percent cut on January 1, 2013. As a result, the threat to access will be greater, the budget price tag to eliminate the cut will be even higher, and the barriers to comprehensive payment reform will be even steeper.

Real payment reform can't advance as long as physicians and their patients are facing the instability created by more double-digit SGR cuts just ten months from now. Our organizations are committed to helping Congress develop better ways to pay physicians and deliver care to patients, but Congress must do its part and enact permanent repeal of the SGR—before 2012 comes to a close.

Provided by American College of Physicians

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