

Opening Statement of the Honorable Joseph R. Pitts
Subcommittee on Health
Hearing on “A Permanent Solution to the SGR: The Time Is Now”
January 21, 2015

(As Prepared for Delivery)

I would like to welcome everyone to the first Health Subcommittee hearing of the 114th Congress and officially welcome our new members.

This Subcommittee has made permanent repeal of the flawed Medicare Sustainable Growth Rate formula, or SGR, a top priority for the last four years. In 2014, we reached a bipartisan, bicameral agreement on a replacement policy that enjoys widespread support both in Congress and among the stakeholder community.

With the current “doc fix” expiring in less than two months, at the end of March, we are faced with the best opportunity in a decade to permanently dispose of the SGR. We are committed to rising to meet this challenge.

Now with the policy agreed to, the question we face is how to responsibly pay for SGR reform in a manner that can pass both Houses of Congress and be signed by the President.

Coming up with approximately \$140 billion in offsets will not be easy, but it is a task we must embrace.

Some argue that SGR reform does not need to be paid for. I respectfully disagree.

First, if members are serious about seizing this historic moment to pass SGR reform, as a purely practical matter, for the bill to pass the House of Representatives and Senate, it must include sensible offsets.

For example, in recent years, the Senate already tried to pass a full repeal of the SGR under a Democratically-controlled Senate. On October 21, 2009, the Senate considered Senator Stabenow’s bill, S. 1776. That bill failed on a 47 to 53 vote—even though there were 60 Democratic votes in the Senate.

Second, the American people expect Congress to live within our means. The American people expect Congress to reduce the debt and prioritize spending. It’s our responsibility to lead accordingly.

Third, not paying for SGR reform would ignore past precedent from Congress – whether it was controlled by Democrats or Republicans. As the Center for A Responsible Federal Budget has noted: “Lawmakers deficit-financed the first “doc fix” back in 2003, but since then have offset 120 out of the 123 months of doc fixes with equivalent savings. That’s 98 percent.”

So today we are here to take the next step in our process – discussing a range of common-sense Medicare policies which can improve, modernize, and strengthen Medicare. Most of the policies we will be discussing have been endorsed by members of both political parties, included in the President’s Fiscal Commission recommendations, or included in one of the President’s Budgets submitted to Congress.

As we move forward to get SGR reform across the finish line, we look forward to be discussing these and other options with the minority and members in the Senate.

We are very happy to have with us today some extremely well-respected thought leaders, who have demonstrated they are serious about helping save and strengthen Medicare—and doing so in a bipartisan manner. I welcome of all our witnesses. We look forward to your testimony.

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