



Response to the House Medicare Physician Payment Agreement

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The FAH applauds the House Congressional Leadership for achieving a historic agreement on Medicare physician payment reform. In the context of this permanent agreement with a balanced package of contributions for funding, the FAH strongly supports *The Medicare Access and CHIP Reauthorization Act of 2015* (H.R. 2) and urges Congress to swiftly pass this legislation.

America's hospitals have long urged Congress to find a solution to the Sustainable Growth Rate (SGR) formula and end the annual, sometimes monthly, search for a "doc fix patch." Those temporary patches have led to needless uncertainty for physicians, hospitals, caregivers and, above all, the patients for whom we all provide essential care.

They also have resulted in problematic hospital policies and arbitrary payment reductions, which include part of the \$122 billion in 10-year cumulative cuts imposed on hospitals since 2010. These cuts have contributed to hospitals' record low Medicare margins, projected to reach negative 9 percent in 2015, and have negative consequences for our patients and our communities.

While hospital cuts in this SGR agreement will create challenges for hospitals, the reductions address the overarching need to come to closure on this sad episode, in which health policy has been governed by fiscal policy due to a mistake Congress made nearly 20 years ago.

This agreement is not perfect; for example, the FAH is concerned that key rural extenders sunset in fiscal year 2017. We look forward to working with policymakers over the coming months to ensure patients in rural, suburban and urban areas maintain access to care.

Perhaps most importantly, enacting this legislation will allow policymakers finally to move beyond the politics of SGR and enable us to focus on value-based care and other critically important health care improvements our country needs.