

Opening Statement of the Honorable Joe Pitts
Subcommittee on Health
Hearing on “Using Innovation to Reform Medicare Physician Payment”
July 18, 2012

(As Prepared for Delivery)

There is no disagreement that the current Medicare physician reimbursement system, the Sustainable Growth Rate or SGR, is broken.

Time and again, Congress has had to override scheduled cuts in physician reimbursement to avert disaster.

And, we will have to do it again before the end of this year. Absent Congressional action, physicians will face a 27 percent cut starting January 1, 2013.

There is also no disagreement that the SGR needs to be replaced with something that actually is “sustainable” and reimburses for outcomes and quality, instead of just volume of services.

The focus of today’s hearing is not the well-documented deficiencies of the current system, it is about the future.

What should the new physician payment system look like? And, what can we learn from the private sector’s experience in this area that may serve as a road map for reform? What has been tried and failed? What has worked?

Our witnesses today are here to share with us the innovative payment systems and care delivery models they have experimented with and their outcomes.

I thank all of them for their testimony.