Opening Statement of the Honorable Joe Pitts
Subcommittee on Health
Hearing on "The Extenders Policies: What Are They and How Should They Continue Under a Permanent SGR Repeal Landscape?"
January 9, 2014

(As Prepared for Delivery)

This subcommittee has played an integral role in advancing a permanent repeal of the Sustainable Growth Rate (SGR) and implementing a sound replacement policy for Medicare reimbursements to physicians.

We reported out Dr. Burgess' Medicare Patient Access and Quality Improvement Act of 2013 (H.R. 2810) by voice vote, and the full committee reported it out favorably by a vote of 51 to 0 last July.

As we move ahead with a permanent SGR fix, we also need to examine the expiring Medicare, Medicaid, Children's Health Insurance Program (CHIP), and human services provisions that have traditionally moved with the SGR.

The purpose of today's hearing is to look at these "extenders" and evaluate whether some of these short-term provisions should be made permanent, and, if so, how best to accomplish this.

The list of extenders includes the following:

- Floor on Geographic Adjustment (or GPCI) for Physician Fee Schedule,
- Ambulance Transitional Increase & Annual Reimbursement Update,
- Therapy Cap Exceptions Process,
- Special Needs Plans,
- Medicare Reasonable Cost Contracts,
- National Quality Forum (NQF),
- Qualifying Individual (QI) Program,
- Transitional Medical Assistance (TMA),
- Medicare Inpatient Hospital Payment Adjustment for Low-Volume Hospitals,
- Medicare-Dependent Hospital (MDH) program,
- Medicaid and CHIP Express Lane Eligibility,
- Children's Performance Bonus Payments,
- Child Health Quality Measures,
- Outreach and Assistance for Low Income Programs,
- Family-to-Family Health Information Centers,
- Abstinence Education,
- Personal Responsibility Education Program,
- Health Workforce Demonstration Program,
- The Maternal, Infant, and Early Childhood Home Visiting Programs, and
- Special Diabetes Program.

In our current budget climate, and with the Medicare Trustees predicting insolvency as early as 2026, hard decisions will have to be made.

Any determination that a policy should be made permanent must be based on data-driven analysis that justifies the extender's continued existence.

I am looking forward to hearing from our witnesses today, particularly MedPAC, which has come up with its own criteria for evaluating these provisions, which includes the effect possible action would have on program spending relative to current law; whether such action would improve beneficiaries' access to care and quality of care; and whether action would advance delivery system reform.

This is a time for us to be very prudent, even skeptical, given the enormous costs of these policies, and do our job on behalf of the taxpayers to ensure every dollar spent is reviewed for efficacy.

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