

Support Permanent Repeal of the Sustainable Growth Rate (SGR)

Dear Colleague:

We urge you to join us in sending the below letter to members of the conference committee on the *Middle Class Tax Reform and Job Creation Act*, asking them to consider a permanent repeal of the sustainable growth rate (SGR) formula, and to offset the full cost of this repeal with unused Overseas Contingency Operations (OCO) funds. This solution has been endorsed by members in both parties and is the fiscally responsible way to address a growing problem.

While Congress has consistently passed short-term fixes, a permanent repeal of the SGR is what is needed. If we don't act now to fix the SGR, we will only see larger scheduled payment cuts in the future and substantial increases in the cost of full repeal. Today, the cost of full repeal is just over \$300 billion, but in five years that cost could double to nearly \$600 billion.

We now have a chance to not only repeal the SGR, but to pay for this repeal with excess funds planned for overseas operations, like the wars in Afghanistan and Iraq, which would otherwise go unused. The non-partisan Congressional Budget Office has estimated that there will be over \$800 billion in these unused funds, enough to offset the full cost of a permanent SGR repeal. This is not an opportunity that we can afford to miss.

Please show your support for this widely-supported solution by signing on to the below letter. To sign on, please contact Nicole Cohen with Rep. Crowley at nicole.cohen@mail.house.gov or Michelle Lane with Rep. Benishek at michelle.lane@mail.house.gov.

Sincerely,

Joseph Crowley
Member of Congress

Dan Benishek, M.D.
Member of Congress

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February XX, 2012

Dear Conferees:

As you develop the conference report on the *Middle Class Tax Reform and Job Creation Act*, we urge you to include a permanent repeal of the sustainable growth rate (SGR) formula, and to offset the full cost of this repeal with unused Overseas Contingency Operations (OCO) funds. This is an ideal opportunity to address the flawed physician payment formula in a fiscally responsible way and bring relief to Medicare beneficiaries and physicians across the nation.

If Congress does not act now, the difficulty of permanently repealing the SGR formula will continue to rise. Each short-term fix brings larger scheduled payment cuts in the future and substantial increases in the cost of full repeal. Today, the cost of full repeal is just over \$300 billion, but if we wait, in five years the cost could double to nearly \$600 billion. We should not pass up this opportunity to use an identified source of funding to develop a permanent solution to the SGR.

Continuing to enact short-term patches is more than bad fiscal policy. It threatens the long-term viability of physician services in the Medicare program. Offsetting a full repeal of the SGR with unused OCO funds presents a reasonable approach, paving the way for comprehensive payment reform while continuing to ensure beneficiary access.

It is time to correct this failed policy and set Medicare on a more stable and predictable course for current and future generations of patients and physicians.

We appreciate your attention to this issue and look forward to working with you as you prepare your conference report.

Sincerely,

Joseph Crowley
Member of Congress

Dan Benishek, M.D.
Member of Congress

cc: House and Senate leadership