

**Opening Statement of Chairman Fred Upton
Health Subcommittee Hearing on “Reforming SGR: Prioritizing Quality in a
Modernized Physician Payment System”
June 5, 2013**

Today we build upon the significant progress this committee has made during the past couple years and take an important step in permanently repealing the flawed Sustainable Growth Rate, otherwise known as SGR.

The legislative framework we released last week, the review of which is the purpose of our hearing today, includes invaluable feedback from many stakeholders. However, this legislative framework is not etched in stone. Rather, it is an opportunity for this committee to continue working closely with members and stakeholders and toward a permanent repeal of SGR.

It also does not contain “pay-fors” as we intend to avoid the error – made in years past – of discussing how to pay for reform before the policy is developed. But make no mistake, SGR reform will be offset with a real and responsible pay-for when it comes to the floor of the House of Representatives for a vote.

When Chairman Camp and I began the push toward reform earlier this year, it was with a common purpose and mutual support. Our friendship and working relationship have never been stronger. Both committees, working closely together and with careful attention to public input, have been able to transform the initial February outline we jointly released into a solid policy framework. There remains much more work to be done, including the hope for bipartisanship, but we would not be where we are today without our great friends on the Ways and Means Committee. That collaborative effort continues.

Over the past several weeks, Energy and Commerce Republicans and Democrats have labored, hand-in-hand, to explore whether bipartisan reform might be possible. While the release last week was done without their name attached, the language it contained did reflect our talks and collaborative efforts with committee Democrats. I would like to thank Ranking Members Waxman and Pallone for their leadership and continued interest in exploring SGR reform.

While we stand today at a point far beyond any reform efforts of the past, much work remains to be done. SGR is one of the most complex issues confronting the Congress, and not surprisingly, difficult policy questions remain to be answered. Today's testimony will help answer some of those questions.

The committee has been dedicated to making reform a transparent process. Such transparency has already given this committee insightful recommendations from multiple stakeholders that culminated in the legislative release last week. We look forward to continuing that process in the weeks to come.

SGR reform is vital to ensuring economic stability for physicians, access to care for seniors, and securing the future of the Medicare system. I would like to conclude by sharing my sincere optimism that we will achieve a bipartisan bill, one that represents the work of Republicans and Democrats. In the end, the best chance for SGR reform to work its way to the President's desk is bipartisanship. Let's not be satisfied with the unprecedented progress that we have made – let's continue working until we have finally solved this problem for our doctors and our seniors.

Thank you, and I yield the balance of my time to Rep. _____.