

Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Subcommittee on Health Hearing
“Reforming SGR: Prioritizing Quality in a Modernized Physician Payment System”
June 5, 2013

I would like to thank the Chairman for holding this hearing. Today’s discussion will focus on some of the critical questions the Committee must address as we look to finally solve the problem of the broken Medicare Sustainable Growth Rate formula which has been plaguing Medicare for too long.

It’s clear from this and others hearings we’ve held on the topic that there is broad consensus on the need to fix this problem, and even consensus on which direction we need to move and the broader policy goals that will get us there. The question is how to get there, and, like all things, the devil is in the details.

The Affordable Care Act provided a good foundation and charted the right path forward. Through its support for new delivery and payment models like accountable care organizations, bundled payments, medical homes, and initiatives that boost primary care - it moves us in the direction of improved quality, efficiency, and value.

I am pleased that the Chairman has reached out to us to try to move forward in a bipartisan fashion. Our discussions so far have been largely fruitful. The early-stage, draft legislative language released by the Chairmen adheres to these shared policy goals on which we’ve reached broad agreement.

However, thoughtfully crafting legislative language that effectuates these goals is a challenge - one that we are doggedly attacking in collaboration. All policies have consequences, some are apparent and some are unforeseen (as we’ve painfully witnessed with SGR). And this is precisely why this hearing is important, but also why we need to continue to refine, vet and develop the concepts that will move us from a volume based system to a value based system of physician payments.

With that in mind, there are three key challenges that I’m interested in hearing about today: (1) Recognizing that fee for service medicine will remain a part of our health system, how do we best deal with incentives that drive volume at the expense of value; (2) How do we get physicians to accelerate the move to new delivery system models that can improve care without compromising cost; and (3) How do we make sure we don’t throw the baby out with the

bathwater – for example, CMS has been working to build a solid array of quality measurement programs, and has been working to develop new models – we don't want to be starting from scratch.

I am glad to see the Chairman continuing to move forward on this issue early in this Congress, and we look forward to continuing to refine these policies through a bi-partisan approach.