

# Repeal SGR formula and replace sequestration cuts internists tell Budget Conference Committee

25 October 2013

Internists today provided input to the recently appointed Congressional Budget Conference Committee members, providing them with specific recommendations to reform Medicare physician payments and replace the sequestration cuts with more responsible ways to reduce the deficit. In a nine-page letter written on behalf of the American College of Physicians (ACP), President Molly Cooke, MD, FACP, told the conferees that the medical profession is committed to doing its part to improve quality and lower costs, but that Congress must also do its part by repealing the Medicare SGR formula and ending the "devastating" cuts to medical research and public health programs from sequestration.

"It is essential that the Congress complete the work on enacting comprehensive Medicare physician payment reform legislation, based on the significant bi-partisan progress that has already been made. Such an effort, when seen through to completion, will result in significant and long-term savings to the [health care](#) system overall," Dr. Cooke said. "Therefore, ACP strongly recommends that the Budget Conference Committee include in your budget framework to be reported to Congress by Dec. 13 enactment of legislation to repeal the SGR and replace it with a value-based payment framework. We also strongly urge the Budget Conference Committee to recommend that enactment of Medicare physician payment reform legislation occur prior to the end of this calendar year."

Dr. Cooke observed that the College has provided Congress with specific recommendations on how to transition away from traditional fee-for-service to value-based payment models, to reduce inappropriate utilization of marginal, ineffective and even harmful medical interventions, and to make other changes to improve the quality and

effectiveness of care.

The sequestration cuts, Dr. Cooke noted, could "set back progress in medical research, potentially for generations." She offered policy options to potentially achieve billions of dollars in savings, by targeting the real cost-drivers behind [health care spending](#), as an alternative to sequestration.

Dr. Cooke concluded her letter by pointing out that ACP recognizes the difficulties involved in achieving a bipartisan policy consensus on the federal budget.

"Yet we know that is possible for Republicans and Democrats alike to find common ground, as evidenced by the bipartisan progress that has been made to date on legislation to repeal the Medicare SGR formula and transition to a value-based payment system," Dr. Cooke emphasized. "ACP is committed to doing all that it can to help Congress find consensus on policies to reform Medicare physician payments; reduce misuse and over-use of marginal, ineffective and even harmful medical interventions; and replace [sequestration](#) with more responsible and effective approaches to reduce health care spending and the federal budget deficit."

Provided by American College of Physicians

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