



March 14, 2014

This morning the U.S. House of Representatives passed an amended version of H.R. 4015 (237-182) that would repeal the flawed Sustainable Growth Rate (SGR) formula that serves as the underpinning of Medicare physician payment and provide for other Medicare payment reforms. The cost of the SGR repeal would be offset with a five-year delay in the tax penalties for individuals who do not obtain health insurance coverage. The White House has expressed opposition to this budget offset and stated that President Obama would veto any legislation that contains this offset provision.

In the Senate a new bill, S. 2122, was introduced that would offset the cost of Medicare payment reform by permanently repealing the Affordable Care Act's requirement for individuals to obtain health insurance coverage. Majority Leader Harry Reid is not expected to schedule S. 2122 for a vote on the Senate floor. The bill that is likely to be considered by the Senate at the end of March contains no cost offsets and deviates slightly from the bipartisan, bicameral bill that was agreed upon earlier in the year.

All of this means that another, short-term payment patch will most likely be necessary to prevent a scheduled 24 percent Medicare physician payment cut from taking effect on April 1, 2014. SCCT will keep you apprised of further developments as they occur.