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Statement of Rep. Henry A. Waxman
Ranking Member, Committee on Energy and Commerce
Hearing on “SGR: Data, Measures and Models; Building a Future Medicare Physician
Payment System”
Subcommittee on Health
February 14, 2013

I would like to thank the Chairman for holding this hearing. Today’s discussion will focus on some of the critical questions we must address in re-designing Medicare’s physician payment system.

There is no question about it, Medicare is vital to the health of seniors in our country. And physicians are a vital part of Medicare, and a critical partner to helping us build a health care system that provides better health care and improved health for all patients. We know that the payment system can drive patient outcomes but, unfortunately, right now it is not driving it in the direction of better health and value.

It’s clear from this hearing that there is broad consensus on the need to fix this problem, and even consensus on which direction we need to move. The question is how to get there. The Affordable Care Act provides the foundation for 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.

Innovative delivery and payment system models are also being developed and implemented by physician groups, health systems, regional health improvement collaboratives, and private payers, in some cases as private-public partnerships. We will hear more about these in today’s hearing. We have the opportunity to leverage payment reform in Medicare to support these new delivery and payment models. We need to respect and encourage local innovation, but ensure accountability for improvement and prudent management.

Our challenge is to judiciously balance the many competing interests in our health care system. I believe that we need to approach this discussion with physicians as our partners, but we also need to ensure that other health care stakeholders, including beneficiaries and non-physician providers, have input as well.

It is no longer acceptable to accept the status quo. It is time for us to work together and permanently repeal SGR and put in place a truly sustainable system that aligns provider payment with quality and ensures that all Americans have access to the best care at lower cost.

I am glad to see the Chairman moving forward early in this Congress, and I am hopeful that we can find common ground on a solution.