



Budget proposals and the SGR

Significant budget proposals across the political spectrum agree that replacing the flawed Medicare sustainable growth rate (SGR) formula should be a component of a comprehensive deficit reduction plan. Here is a sample of what is being said.

“Recommendation 3.1: Reform the Medicare Sustainable Growth Rate. Reform the Medicare Sustainable Growth Rate for physician payment and require the fix to be offset.”

—National Commission on Fiscal Responsibility and Reform
The Moment of Truth Report, December 2010

“Fully pays for SGR (the ‘doc fix’) over 10 years.”

—Senate “Gang of Six” Proposal

“Every year, Congress pretends that doctors will take a massive pay cut in order to artificially deflate the cost of Medicare and make future deficits and spending appear smaller. This budget acknowledges that Congress will, and should, reform the broken Sustainable Growth Rate. The full ten-year \$300 billion cost of fixing the SGR is incorporated into the cost of Medicare. While savings are achieved by adopting medical malpractice reform, honestly accounting for the full cost of reforming the SGR results in Medicare expenditures that are higher than the President’s budget or the CBO baseline.”

—Senator Pat Toomey
Restoring Balance: A Budget Proposal for Fiscal Year 2012 that Balances the Budget and Encourages Economic Growth, May 2011

“This offers a fully-offset SGR replacement that is fully offset by savings within the overall proposal.”

—Senator Tom Coburn, MD
Back in Black: A Deficit Reduction Plan, July 2011

“Taken together, these savings are enough to approximately offset the cost of implementing a permanent fix of the sustainable growth rate formula, which, if left unattended, requires automatic massive cuts to Medicare payment rates for doctors, which are unacceptable both politically and substantively.”

—Center for American Progress
Budgeting for Growth and Prosperity: A Long-term Plan to Balance the Budget, Grow the Economy, and Strengthen the Middle Class, May 2011

“Beginning immediately, a permanent ‘doc fix’ is implemented using any Medicare savings from legislation, including savings from this proposal.”

—The Heritage Foundation
Saving the American Dream: The Heritage Plan to Fix the Debt, Cut Spending, and Restore Prosperity

“Our plan stabilizes physician payment rates and allows them to increase with general inflation.”

—American Enterprise Institute
Fiscal Solutions: A Balanced Plan for Fiscal Stability and Economic Growth, May 2011