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HATCH STATEMENT AT FINANCE COMMITTEE ROUNDTABLE DISCUSSION ON MEDICARE PHYSICIAN PAYMENTS

WASHINGTON – U.S. Senator Orrin Hatch (R-Utah), Ranking Member of the Senate Finance Committee, today delivered the following remarks at a committee roundtable discussion on the sustainable growth rate (SGR) formula within the Medicare physician fee schedule:

I want to thank Chairman Baucus for convening today's roundtable. As we continue discussing options to improve the way we pay physicians and improve quality in Medicare, it is critical that we speak to folks in the private sector who are successfully lowering costs, while providing better care and outcomes for patients.

The Chairman and I agree that we must find a better way to pay physicians in Medicare. We must repeal the flawed SGR system — an albatross around Congress' neck that must be addressed at the end of every year.

This is not an easy task, but our physicians and patients deserve better. We must establish a more stable foundation to pay our physicians who treat Medicare patients.

As we all know, our current fee-for-service system provides little financial incentive to manage care properly. Instead, the current incentive is to increase the volume of services. Over the years, we have learned that more care does not necessarily mean better care, or better outcomes.

Today, we have the opportunity to hear from some of the top performers in the private sector. These industry leaders are making real advancements in care delivery and physician payment. They are showing you can improve quality and lower costs in a collaborative way that does not alienate the physician community.

Chairman Baucus, thank you again for scheduling this series of roundtables. I hope today's provides us with another opportunity to learn about the best practices that are occurring in the private sector. I look forward to hearing from our witnesses, hearing about their efforts, and thinking about how to relate their experiences to Medicare.

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