



FOR IMMEDIATE RELEASE

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**Opening Statement of Senator Max Baucus (D-Mont.)
Regarding the Medicare Physician Payment System**

As prepared for delivery

Thomas Edison once said, "To have a great idea, have a lot of them."

Today, we hold our second roundtable on Medicare physician payments. The payment system Medicare currently uses is broken. There are a lot of ideas about how to fix it. Today I want to hear them.

We know the sustainable growth rate, or SGR, must be repealed. It causes uncertainty. It causes seniors to fear losing access to their doctors. It threatens physicians with increasing payment cuts year after year.

We need to take a look at the underlying fee-for-service system that Medicare uses to pay physicians. Fee-for-service rewards physicians who do more tests and more procedures, even if those services are unnecessary. It does not encourage physicians to coordinate patient care to save money and improve results.

We need an efficient system that rewards physicians for providing high-quality, high-value care.

Today, we will hear from five organizations that have developed innovative physician payment systems in the private insurance market. These organizations are changing how they pay physicians to create incentives that will improve patient care.

They are rewarding the physicians who keep patients healthy and cut down on emergency room visits and hospital readmissions. These results not only save money, they mean better care for patients.

We want to learn how these ideas can be applied to the Medicare program.

Medicare needs solutions that will work in a range of settings – in cities and rural areas, for large doctor groups and solo practitioners, and for specialists and primary care providers.

What works in California may not always work in Montana. Fortunately, our panelists can describe ideas that have worked in many different regions of the country.

I look forward to candid and direct suggestions from our panelists.

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