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### **Hatch Statement at Finance Hearing on MACRA**

WASHINGTON – Senate Finance Committee Chairman Orrin Hatch (R-Utah) today delivered the following opening statement at a hearing to examine the Centers for Medicare & Medicaid Services’ (CMS) implementation of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA):

*I’d like to welcome everyone to this morning’s hearing. Today, the committee will hear from the Centers for Medicare and Medicaid Services on its initial proposal for implementing the physician payment reforms included in the historic Medicare Access and CHIP Reauthorization Act of 2015, generally referred to as MACRA.*

*I would like to thank Acting Administrator Slavitt for appearing today to testify on this important topic.*

*The passage of MACRA was a tremendous bipartisan achievement that addressed long-standing and reoccurring problems under Medicare. It was, I’ll note, one of the first of many significant bipartisan accomplishments we’ve seen in the 114<sup>th</sup> Congress.*

*Most notably, MACRA eliminated the flawed Medicare Sustainable Growth Rate, or SGR, formula.*

*As everyone here will recall, the SGR mandated significant cuts to Medicare physician payments that were, on a more or less yearly basis, averted by legislation to “patch” the SGR. Between 2002 and 2014, Congress passed 17 different laws to prevent the cuts from taking place.*

*The perpetual SGR cycle took up far too much of Congress’ time and diverted attention from other priorities.*

*Getting rid of the SGR not only resolved a vexing problem for lawmakers, it gave security to Medicare beneficiaries who often had to wonder if they would eventually lose access to their physicians.*

*In addition to repealing and replacing the SGR, the MACRA law contained structural reforms to the Medicare program, including increased means testing for Part B and Part D premiums and limits on “first dollar” Medigap coverage for new beneficiaries. While these structural changes put Medicare on a more solid fiscal footing, more needs to be done to ensure the program is there for future generations.*

*I note reforms today to reiterate what I have said on several occasions: Despite the cries of naysayers, bipartisan Medicare reform is possible, and the passage of MACRA proves that to be the case.*

*I look forward to continuing the discussion on how to shore up the Medicare program for the long-term, but, for today, let me turn back to the stated purpose of this hearing, which is MACRA’s physician payment reforms.*

*The physician payment reforms are the result of years of effort in the Finance Committee. Working with the House Committees of jurisdiction, this committee was able to craft a legislative solution that garnered the support of nearly every national and state physician organization. This proved to be key to MACRA’s enactment as previous efforts to eliminate the SGR had been stymied by the question of what would replace it.*

*These reforms were intended to accomplish several things. Our most specific goals were to:*

- 1) Streamline disjointed incentive programs to reduce the administrative burden on physicians;*
- 2) Ensure that metrics on which physicians are assessed are relevant to the patients they treat;*
- 3) Provide flexibility to physicians to participate in a way that best fits their practice situation; and*
- 4) Provide an incentive to consider and attempt alternative payment models.*

*We’re here today to discuss and hopefully evaluate how CMS has proposed to implement the law in order to achieve these goals.*

*Let me say that I appreciate the extent to which CMS has reached out to stakeholders to get their thoughts in advance of the proposed rule the agency released in April.*

*And I understand that CMS continued its outreach during the public comment to ensure that key groups would be informed on the proposal and to hear their reactions. Consultation*

*with stakeholders—especially beneficiaries and physicians on the front lines of providing care—is precisely what we sought when we drafted the statute.*

*I also appreciate the outreach that CMS has undertaken with members of Congress and their staff. Viewing implementation as a partnership with Congress is the right way to go.*

*Without delving too far into my long-standing concerns about the administration's lack of disclosure and cooperation with Congress, I will say that I wish this model would be used more often.*

*The CMS proposal that resulted from this consultation and outreach is hundreds of pages. And the details matter greatly to our physicians and patients.*

*This hearing will give CMS a chance to describe its implementation efforts and give members of the committee an opportunity to reflect and ask questions on issues that are garnering significant comment and public discussion. It will also allow members to speak to Congress's intent with regard to MACRA, share insights, and, hopefully, get answers on issues that are important to their constituents.*

*Before we hear from Mr. Slavitt on CMS implementation though, I want to flag an important concern that I know is shared by others, which is the plight of small and rural physician practices.*

*We recognized the inherent challenges of these types of practices when we crafted the MACRA statute and I know CMS is aware of these issues, but we need to make sure that the law is implemented in a way that works for these physicians and ensures that these practice settings remain viable options for Medicare beneficiaries.*

*I look forward to a constructive dialogue here today and to the committee's continued engagement with CMS through the final rule in November and beyond.*

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