



A Passionate Voice for Compassionate Care

March 18, 2014

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,200 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, we applaud the bipartisan, bicameral efforts of the Senate Finance, House Ways and Means and Energy and Commerce Committees to develop and approve legislation to repeal and replace the Medicare physician payment formula, specifically the sustainable growth rate (SGR), to ensure adequate Medicare reimbursement for physicians who treat our seniors.

The timing is crucial. I urge you to move immediately to enact S. 2110, the Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014, sponsored by Finance Committee Chairman Ron Wyden. In addition to the bipartisan SGR repeal and replace legislation, the bill includes key Medicare and Medicaid provisions approved by the Committee that would ensure outpatient hospital therapeutic services remain available in rural communities; low-income Medicare beneficiaries receive premium support from Medicaid; and Medicaid disproportionate share hospital payments remain adequate to sustain the safety net by requiring timely reports to Congress.

The Medicare SGR formula was enacted in 1997 to control the growth in physician reimbursement levels. Unfortunately, the SGR formula is flawed and Congress has spent nearly \$150 billion in short-term patches to prevent steep cuts in physician reimbursements since 2003. The majority of the dollars to pay for the short-term patches have come from cuts to other Medicare and Medicaid providers. Hospitals, specifically, have had \$117.5 billion in Medicare and Medicaid cuts imposed since 2010, including \$13 billion in just the last 3 months.

While we support the passage of S. 2110, we are opposed to any additional cuts to Medicare and Medicaid providers as a means of paying for the legislation. The current temporary Medicare physician payment patch to prevent an anticipated 24.4% cut in reimbursement will expire at the end of March. The Congressional Budget Office has estimated the SGR fix to be \$116 billion over ten years, an extremely low cost as compared to previous estimates.

We support using the Overseas Contingency Operations (OCO) account as a means of offsetting the cost of this legislation. We do not support delaying or eliminating the individual mandate or premium support tax credits designed to assist low-income individuals in purchasing private health insurance. To do so would severely reduce access to affordable health insurance coverage.

Sincerely,

A handwritten signature in black ink, appearing to read "Sr. Carol Keehan". The signature is written in a cursive, flowing style.

Sr. Carol Keehan, DC
President and CEO