



**Is momentum with you, or against you?**

**TALK TO CHUCK**

Rollover to find out how you can tell

charles SCHWAB

Print  Close 

**INVESTORS.com**

POWERED BY INVESTOR'S BUSINESS DAILY™

POLITICS

## Dems Mull Hike In Doctor Fees — And Deficit

By DAVID HOGBERG, INVESTOR'S BUSINESS DAILY

Posted 10/20/2009 06:47 PM ET

Reports this week suggest Democrats may permanently roll back Medicare physician payment cuts to win doctors' support for their broader health care plans. But that would significantly increase federal deficits, even as it makes medical makeover bills cheaper.

The Sustainable Growth Rate formula is supposed to trigger automatic cuts in Medicare fees to physicians whenever they grow too quickly. Under pressure from groups like the American Medical Association, Congress has routinely suspended those cuts since 2003.

This led some lawmakers to include a permanent SGR repeal as part of health care legislation. But Congress is now considering it as a stand-alone bill.

"Unfortunately, Medicare ... physicians are scheduled to receive a pay cut of over 20% next year," warned Sen. Debbie Stabenow, D-Mich., in a press release. "Slashing their payments will only lead to fewer doctors accepting Medicare ... patients or dropping their current patients. We cannot let Americans lose their doctors because of a flawed payment system."

### Dueling 'Sham' Fight

"It's called a sham," said Senator Judd Gregg, R-N.H., and ranking member of the Senate Budget Committee. "It gives the Democrats about \$250 billion more to spend on health care reform that they wouldn't otherwise have."

But Stephanie Lundberg, spokeswoman for House Majority Leader Steny Hoyer, says the SGR is such a problem now because Republicans passed temporary patches annually. She said Democrats are just "cleaning up a mess" made by Republicans.

"Did Republicans characterize the fix as health reform every time they passed it? No," Lundberg said.

Repealing the SGR would add about \$245 billion to the debt over 10 years, the Congressional Budget Office estimates, unless it is offset with tax hikes or spending cuts.

Both House and Senate health care bills include the costs of either repealing or temporarily suspending the SGR. Repealing the SGR separately would remove those costs from the health care bills — but not from taxpayers.

The CBO also estimated that the House health care plan would expand the deficit by about \$239 billion. The legislation included a permanent repeal of the SGR, so removing it would make the House bill almost deficit neutral.

Sen. Max Baucus' bill would reduce the deficit by \$81 billion over 10 years, according to the CBO. It included only a two-year fix to the SGR at a cost of \$11 billion — a key reason why his bill was cheaper than the House version. Removing it means the Baucus bill would reduce the deficit by \$92 billion.

"This is another shameless gimmick the Democrats are using to hide the true cost of their health care reform," said Michael Cannon, director of health policy studies at the libertarian Cato Institute. "The only reason they are doing it is to claim that reform costs \$250 billion less than it does."

Rep. George Miller, D-Calif., chairman of the House Education and Labor Committee, has already done so.

Back in July, Miller issued a press release claiming that the CBO analysis showed that the House bill was "deficit neutral over the 10-year budget window — and even produces a \$6 billion surplus."

Miller conceded that repealing the SGR would cost about \$245 billion, but said those costs would be addressed under proposed "pay-go" budget legislation.

### **Saving Doctors**

Some argue fixing the SGR must be a top priority.

"The SGR has been terrorizing doctors for a number of years," said Dr. Margaret Lewin, an internist and medical director of Cinergy Health in New York. "There is already an access problem for seniors, and it will be horrendous with SGR cuts."

She cited a New York County Medical Society survey that found about 25% of physicians would reduce their patient load and 15% would leave Medicare altogether if Medicare fees were cut.

Repealing the SGR would likely win doctors' support for health care legislation, part of Democrats' strategy of co-opting most big health industry players.

Still others think repealing the SGR should not add to the deficit.

"Any money that's spent to update the SGR has to come from somewhere," said Marc Goldwein, policy analyst at the Committee for a Responsible Federal Budget. "The options are to find more offsets for the health care plans or reduce the cost of the health care plans. Otherwise, it is irresponsible."

It is not clear, though, if the Democrats can pass an SGR repeal without finding a way to pay for it.

According to news reports, Sens. Evan Bayh, D-Ind., and Kent Conrad, D-N.D., have both said they won't vote for an SGR repeal if it adds to the deficit.

---

© 2009 Investor's Business Daily, Inc. All rights reserved. Investor's Business Daily, IBD and CAN SLIM and their corresponding logos are registered trademarks of Data Analysis Inc. [Copyright and Trademark Notice](#) | [Privacy Statement](#) | [Terms](#) | [Conditions of Use](#)