



## U.S. House Passes Bipartisan Bill to Overhaul Medicare Payment System

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On March 26, 2015, the U.S. House of Representatives passed the “The Medicare Access and CHIP Reauthorization Act of 2015,” (H.R. 2) (the “Bill”) which would permanently replace Medicare’s sustainable growth rate (“SGR”) and would extend certain Medicare and other health policies. The Bill was introduced on March 24, 2015 by bipartisan leaders of the House Energy and Commerce and House Ways and Means Committees and was approved in the House by a vote of 392 to 37.

The proposal would replace the SGR with a 0.5% increase in Medicare physician reimbursement starting in July 2015, with annual 0.5% increases through 2019. The Bill also consolidates various reporting programs into a value-based performance program, moving away from the current volume-based system. The Bill is expected to cost \$214 billion and includes certain pay cuts to providers and Medicare reforms, which would offset approximately \$70 billion of its cost.

The legislation has been endorsed by President Obama, and the Senate is expected to vote on the Bill in mid-April when it returns from a two week recess. Beginning April 1, physicians may face a 21% cut in Medicare payments until the passage of the Bill as a permanent SGR fix or another temporary “patch.”

Click [here](#)<sup>1</sup> for the full text of the Bill.

Click [here](#)<sup>2</sup> for a section-by-section summary of the Bill.

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<sup>1</sup> <http://www.agg.com/files/uploads/BILLS-114hr2eh.pdf>.

<sup>2</sup> <http://www.agg.com/files/uploads/20150324-HR2-SectionbySection.pdf>.

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