



Hospital Groups Urge Congress to Oppose Medicare Cuts to SGR Patch

Jennifer D. Burgar and Maxwell P. Clayton

On February 4, 2015, nine hospital groups wrote a letter to the Senate Finance Committee, Senate Budget Committee, House Ways and Means Committee, House Energy and Commerce Committee and House Budget Committee urging members to oppose Medicare and Medicaid payment cuts to hospitals resulting from annual “patching” of the Medicare Sustainable Growth Rate (SGR) model. The letter was co-authored by America’s Essential Hospitals, the American Hospital Association, the Association of American Medical Colleges, the Catholic Health Association of the United States, the Children’s Hospital Association, the Federation of American Hospitals, the National Association of Psychiatric Health Systems, the Premier Healthcare Alliance, and VHA Inc.

The letter states that the SGR patching has “resulted in postponement of a sustainable and predictable remedy, escalated the budgetary cost of an eventual solution and resulted in significant and damaging Medicare and Medicaid cuts to hospitals” to the tune of nearly \$122 billion since 2010. Aside from the significant financial considerations related to the payment cuts, the letter cited broader negative results from the cuts, saying “Policymakers cannot continually take from one provider to give to another and expect hospitals to maintain access to care for patients, reach new benchmarks in quality of care and efficiency, and implement the latest technology to care for our patients.”

Finally, the letter acknowledges the need to fix the SGR permanently. However, the groups urged Congress to find a fix that will not result in further financial burdens for hospitals.

To review the letter, please click [here](#).¹

¹ <http://www.aha.org/advocacy-issues/letter/2015/150205-halo-sg.pdf>.

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