



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 12, 2014
(House Rules)

STATEMENT OF ADMINISTRATION POLICY

H.R. 4015 – SGR Repeal and Medicare Provider Payment Modernization Act of 2014

(Rep. Burgess, R-Texas, and 114 cosponsors)

The Administration strongly opposes House passage of H.R. 4015, the SGR Repeal and Medicare Provider Payment Modernization Act of 2014 because it includes an offset that would increase health insurance premiums, decrease tax credits, increase the number of uninsured, and shift costs to businesses, workers, and health care providers. Rather than attempting once again to repeal the Affordable Care Act, which the House has tried to do over 50 times, it is time for the Congress to stop fighting old political battles and join the President in an agenda focused on providing greater economic opportunity and security for middle class families and all those working to get into the middle class.

Medicare payments to physicians are determined under a formula, commonly referred to as the "sustainable growth rate" (SGR). This formula has called for reductions in physician payment rates since 2002, which the Congress has consistently overridden for over 10 years. Under the SGR, Medicare physician payment rates would be reduced by about 24 percent in April 2014. The Administration is committed to working with the Congress to continue progress towards reforming Medicare physician payments to provide predictable payments that incentivize quality and efficiency in a fiscally-responsible way, and applauds the bipartisan, bicameral effort that led to the introduction of H.R. 4015 and S. 2000. However, paying for these Medicare payment changes by reducing coverage and increasing costs for millions would reverse progress being made in making health care affordable and secure for all Americans.

The Affordable Care Act gives people greater control over their own health care. Every day, thousands of Americans are signing up for insurance, and over 4.2 million have signed up so far. Because of the Affordable Care Act, Americans who have previously been denied coverage due to a pre-existing medical condition now have access to coverage. Additionally, the law helps millions of Americans stay on their parents' plans until age 26, and provides access to free preventive care like cancer screenings that catch illness early on.

H.R. 4015 would delay the individual shared responsibility provision which is essential to ensuring that the 129 million Americans with pre-existing conditions can get coverage without being charged more or losing coverage when they get sick. This legislation would result in higher numbers of uninsured Americans, higher premiums for those who remain insured, and fewer premium tax credits for middle-income families, and would increase cost-shifting of uncompensated care to health care providers, workers, and businesses.

If the President were presented with H.R. 4015, he would veto it.

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