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## **PBGH Statement on the 12-Month “Temporary Fix” to the Medicare Sustainable Growth Rate (SGR)**

SAN FRANCISCO, April 1, 2014 - The Pacific Business Group on Health ([PBGH](http://PBGH)) is disappointed in Congress’s decision to pursue another temporary physician payment fix rather than replace Medicare’s flawed payment formula. For decades, large employers have been frustrated by the rising costs and inconsistent quality of health care. We need to change the way we pay providers now. Congress must work to develop and implement a system that moves away from the current volume-based, fee-for-service model, and rewards physicians for providing high-quality, efficient and appropriate care.

Unfortunately, this year, Congress lacked the political will to permanently fix Medicare payments and improve care for patients. While the bipartisan, bicameral legislation that would have reformed the physician payment formula was not perfect, it did contain many critical elements to move us toward true reform. As lawmakers work to find a solution for a permanent repeal next year, any new proposals must:

- Provide strong incentives for a movement toward alternative payment models
- Encourage the effective coordination of care for patients
- Provide funding and a clear timeline for filling quality measure gaps in the critical areas of clinical outcomes, patient experience, care coordination and appropriate care
- Ensure that the process for selecting performance measures reflects the needs of patients, purchasers and the general public
- Expand the use of Medicare data for transparency and for quality improvement purposes by qualified entities (QEs).

PBGH members -- 60 companies that provide health care coverage to 10 million Americans and their dependents – stand ready to work with Congress to ensure that Medicare is aligned with private-sector efforts to increase transparency and accountability and to drive improved health for all.

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### ***About Pacific Business Group Health***

PBGH is a non-profit business coalition focused on improving the quality and affordability of health care. The group represents 60 large health care purchaser members with more than 10 million employees, retirees and dependents in California. [www.pbgh.org](http://www.pbgh.org) @pbgh\_updates