

## **RSC Info Alert: Conservative Concerns with H.R. 3961 (“Doc Trick”)**

The Democrats detached the permanent “doc fix” provision from the larger bill, H.R. 3962, and introduced it separately (without it being paid for), as H.R. 3961, so that the cost of the “doc fix” would not count against the cost of the underlying government healthcare takeover bill for the purposes of PAY-GO. Some conservatives may be concerned that the Democrats are not being honest with the American people concerning the cost of this legislation. When faced with significant cuts in the past, Republicans found ways to pay for the cost of the “fix.”

Regrettably, politicians in Washington continue to use ploys and gimmicks to gain support for measures such as H.R. 3962 that hurt rather than help the patient - doctor relationship. While a “doc fix” is important, and the proposal to wipe out the cuts, remove physician drugs, and make changes to SGR through creating two “Target Growth Rates” is a move in the right direction, **if the Majority was truly serious about maintaining access to care for seniors it would make paying for such an important provision a priority. Instead of using \$505 billion in cuts to Medicare as part of a government takeover of health care (as Democrats propose in H.R. 3962), we should first use this money for the “doc fix” and make the current Medicare system sustainable.** The following are some of the potential conservative concerns:

**Groups Opposing H.R. 3961:** American Association of Physician and Surgeons, Freedomworks, Club for Growth, Citizens Against Government Waste, National Taxpayers Union, Americans for Prosperity, and Americans for Tax Reform.

**Cost:** [CBO](#) determined that H.R. 3961 will cost \$210 billion over 10 years. CBO reduced its previous cost estimate due to the Obama administration’s, acting through HHS, retroactive removal of the cost of physician-administered drugs (and other services provided incident to the physician visit) from the formula.

- **The true cost of H.R. 3961 is \$279 billion without being paid for.**
- According to the [Budget Committee](#), if the “doc fix” was added back to the health reform bill, the resulting legislation would increase the deficit by \$170 billion.
- **Adding the SGR fix to the Pelosi government takeover of health care bill (H.R. 3962) would bring the true cost up to \$1.5 trillion.**

**Political Gimmick:** Democrats know this bill has no chance of becoming law as and appear to be more concerned about looking like they support physicians rather than really helping them.

- **The Senate has already rejected an unpaid for “doc fix” (S. 1776). The vote failed by a resounding [47-53](#) (well short of the 60 votes needed) with 12 Democrats and one Independent joining Republicans not to proceed.**
- Republicans will not play along in a political charade that demeans physicians as just some special interest to be paid off on the path toward government-run health care.
- Passing SGR as a stand alone without pay-fors will open the door for the Democrats to game the final score of health care reform.

- This political gimmick is further evidence that Democrats lack an appreciation for the health care services provided to seniors.

**Fiscal Recklessness:** This legislation would add nearly a quarter trillion dollars over ten years to federal deficits that are already forecast to hover around one trillion dollars annually.

- Democrats cannot claim that their health care reform plan is paid for and refuse to pay for over \$200 billion dollars of it at the same time.
- This Congress is burying future generations in massive debt and refuses to make the tough choices to pay for its expensive priorities.

**Budget Gimmick:** Democrats are cooking the books to cover up the fact that this will cost us a quarter trillion dollars over the next decade.

- By attempting to ignore the cost of the fix, Democrats are asking Americans to look the other way as they continue to explode the deficit.

**Broken Promises:** The bill, if not paid for, certainly adds to the deficit, putting Obama in a difficult position – if he supports the SGR fix with no pay fors, he breaks his [promise](#) that “I will not sign health insurance reform — as badly as I think it’s necessary, I won’t sign it if that reform adds even one dime to our deficit over the next decade — and I mean what I say.” If he opposed the SGR fix with no pay fors, he risks losing badly needed physician support and is faced with it being added back into the larger health reform bill, thus breaking another promise that health care reform won’t cost more than \$900 billion dollars.

**Hurts Seniors:** If Democrats were serious about a physician reimbursement solution, they would use money derived from their large cuts to Medicare to pay for it, rather than dedicating that money to a federal takeover of health care that will make seniors worse off.

- Through administrative actions, seniors can expect to shoulder tens of billions of dollars in new costs through higher premiums, while at the same time receiving cuts to Medicare benefits and services provided through programs such as Medicare Advantage in H.R. 3962. CBO estimated that of the \$260 billion cost, nearly \$50 billion will be paid for by increasing Medicare beneficiaries’ Part B premiums.

**Still a Problem for Doctors:** The bill does not eliminate or repeal the SGR system as a whole, rather it makes changes to the growth rate formula to alleviate the cuts (replaces the old formula with a new formula).

- In 2011, it establishes two separate “Target Growth Rates” and conversion factor updates based on GDP - which is currently used for SGR.
- Some conservatives may see the new target rates as simply establishing 2 mini-SGRs in the sense that they can still be cut up to 7% as is the case under current law.
- Without a fully paid for SGR repeal, some conservatives may be concerned that this bill doesn’t go far enough. For many doctors and conservatives the “right” fix

is doing away with the current flawed payment system all together or moving toward a more accurate assessment of costs.

While conservatives are supportive of fixing the SGR, it has become apparent that Democrats cannot maintain fiscal restraint on their government take-over of health care legislation, and thus have been reduced to playing tricks on the American public in order to pass legislation.

**RSC Staff Contact:** Emily Henehan Murry, [emily.murry@mail.house.gov](mailto:emily.murry@mail.house.gov), (202) 225-9286