



March 20, 2014

Dear Senator,

The Service Employees International Union (SEIU) voices its support for the Medicare SGR Repeal and Beneficiary Access Improvement Act of 2014 (S. 2110) without the use of problematic health offsets. This approach will allow Congress to move forward without the distraction of continuous debates on replacement policies.

For more than a decade, Congress has acted to pass temporary patches to prevent deep cuts to Medicare physician payments from taking place. Currently, most policymakers assume the cuts required by the SGR formula will never go into effect and those savings will not be realized. Now that there is bipartisan support for a replacement package, the time to enact reform is now. Congress should not let a debate over problematic and harmful offsets prevent progress.

Putting one set of providers at risk to pay others, potentially producing a whole new set of beneficiary access issues and risking the financial stability of hospitals and health systems that are already facing deep cuts, does not create a sustainable Medicare program. Furthermore, asking those Medicare beneficiaries who already struggle to afford their out-of-pocket costs to pay more to replace a flawed system meant to control spending of Medicare payments is nonsensical.

It is time that we move past the SGR formula. For these reasons, we believe Congress should move forward without offsetting the cost of replacement legislation or offsetting the cost using Oversee Contingency Operations (OCO) funding, which would prevent the need to exchange one problem and replace it with others that will need to be addressed in the future. If you have any questions, do not hesitate to contact Ilene Stein, Assistant Legislative Director, at 202-730-7216 or at ilene.stein@seiu.org.

Sincerely,

Peter Colavito
Director of Government Affairs

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