



The Sustainable Growth Rate (SGR) formula was created by the federal government 17 years ago to create targets and controls for unpredictable swings in Medicare expenditures. It is predicated on 1996 spending rates, and as such has unintentionally created progressively more severe mandated “cliffs” each year that would drastically reduce Part B payment rates – 21% this year. Each year this has been addressed by Congress with last-minute short-term legislative patches, influenced by many medical societies’ efforts including ours.

On April 14, the Senate overwhelmingly passed H.R. 2, which permanently repeals and replaces the Medicare SGR formula. Despite efforts to add amendments, the Senate and House defeated all offered amendments and passed identical bills. This action demonstrates the bipartisan support of this fix. The bill was then immediately sent to the President for his signature.

When signed into law, this bill immediately repeals the SGR, retroactive to April 1st, thus averting a 21% reduction in Medicare Physician Fee Schedule (MPFS). It replaces the SGR with the new payment system and includes several important changes such as the automatic payment updates for physician fee schedule payments for five years, transition of MPFS payments toward a value-based payment system and incentives for the development and participation in new, alternative payment models.

It is uncertain how quickly the U.S. Centers for Medicare and Medicaid Services (CMS) will be able to reprogram the claims processing computers to prevent claims scheduled to be paid on April 15 from being subject to the SGR cut. However, we can likely expect CMS to announce their plans soon. SVU will communicate any announcements to the membership as soon as we receive them from CMS.

The SVU Advocacy Committee is still assessing H.R. 2 and will provide updates as they occur. However, it is clear that our 17 year struggle with the effects of the SGR is over and the permanent solution does not hinder patient access to noninvasive vascular testing. This profound change in CMS payment policy will allow SVU to address new challenges and build grassroots support from you, our members, to address more pressing issues including mandatory certification of clinical staff.