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## CRFB on SGR Deal: Budget Gimmicks and Missed Opportunity

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Congressional leaders announced an agreement today on the Sustainable Growth Rate, or Doc Fix, that is scheduled for a House vote this week. The following is a statement from Maya MacGuineas, president of the Committee for a Responsible Federal Budget.

"We are disappointed policymakers did not use this opportunity to enact a fiscally responsible permanent replacement to the Sustainable Growth Rate (SGR). This was a relatively inexpensive opportunity to replace the blunt SGR with a more sensible formula that would promote more efficient and cost-effective care delivery – and a lot of work has been done to come up with a bipartisan, sensible replacement. A permanent fix would end the all-too-common practice of lurching from one temporary patch to the next.

"We are also disheartened that, even in a 12-month doc fix, the legislation under consideration would use a budget gimmick to offset a portion of its costs. Specifically, a portion of the bill's "savings" are achieved by simply shifting sequester savings set to occur in 2025 into 2024, within the Congressional Budget Office's scoring window, but this has zero actual impact on the debt.

"Nonetheless, continuing the precedent of paying for new costs is preferable to permanently repealing the SGR with no real offsets at all. The bill includes many serious, smaller health care reforms that would reduce unnecessary readmissions, achieve fairer prices for Medicare, and encourage more appropriate use of expensive services.

"Congress should remove the phony savings in this bill and replace them with real cuts or shorten the duration of the Doc Fix. Then, Congress and the President should develop a comprehensive and permanent plan to replace the flawed SGR with honest pay-fors that fully pay for the costs. There are a number of sensible policies such as encouraging better care coordination and new payment models, restricting pricey Medigap policies, reforming Medicare's byzantine cost-sharing rules, penalizing avoidable medical complications and expanding means-tested premiums that have the potential to garner bipartisan support. Lawmakers should work on a real fix instead of resorting to deficit-busting gimmicks. "

*For more analysis, check out [our latest blog post](#) on the one-year Doc Fix.*