

Health Headlines

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CBO Increases Cost Estimate for Permanent Repeal of SGR

A January 31, 2012 report by the Congressional Budget Office (CBO) estimates that the cost of permanently repealing the Medicare sustainable growth rate (SGR) would increase to \$316 billion over 10 years. This estimate marks a \$26 billion increase from CBO's previous estimate in November 2011. Medicare payments to physicians are scheduled to drop by 27 percent beginning in March 2012 if Congress does not once again halt implementation of the SGR. Even if the SGR does take effect, CBO estimates that Medicare spending will rise nearly 90 percent between 2012 and 2022, fueled by an estimated three percent annual increase in the number of Medicare beneficiaries over that time period. CBO estimates that federal Medicaid spending will fall by five percent in 2012, only to double by 2022 as a result of enrollment expansions established by the Affordable Care Act.

The CBO report is available by clicking [here](#).

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