

Two weeks ago, the House passed the Medicare Physician Payment Reform Act (H.R. 3961) to permanently reform Medicare's physician payment system and place it on more sustainable footing for physicians and beneficiaries.

The bill also includes a fiscal responsibility measure that I have long championed - statutory "pay-as-you-go" (PAYGO) - which requires all new policies that reduce *revenues or* expand entitlement *spending to be paid for* so they don't add to the federal deficit.

Without this legislation, doctors treating Medicare patients would see a 21 percent cut in their reimbursement rates starting in January 2010. However, instead of temporarily overriding the cut as Congress has done six times before, the Medicare Physician Payment Reform Act will replace the broken formula with a stable and sustainable solution. This permanent reform will guarantee Medicare beneficiaries continue to enjoy the access to care that they have today.

It is important to remember that this bill would simply prevent cuts—not increase payments to doctors. But it is true that ensuring our seniors' access to their doctors will add to our deficit, just

as extending any of the Bush tax cuts that are set to expire next year would do. Because seniors' health is at stake in this bill, I believe stopping the payment cuts is worth the cost.

But in taking this action, the House also made a commitment to restoring our nation's fiscal order by including my PAYGO legislation. No one step will get us out of our fiscal hole, but the most important immediate step we can take is to commit ourselves to the principle that, in new policies, our country will pay for what it buys. That is the principle of PAYGO—and it is a proven tool for fighting debt.

In the 1990s, President Clinton used it to turn huge deficits into a record surplus; and when President Bush abandoned PAYGO, record deficits returned. When Democrats took back the House majority in 2006, we demonstrated our commitment to fiscal responsibility by making PAYGO part of the House rules. And now, with support from President Obama and both chambers of Congress, we have a real chance to give PAYGO the force of law by passing this bill.

Under PAYGO, Congress will be forced to make the hard budgeting choices that are so tempting to avoid—to stop politically painless giveaways financed with borrowed money. If we want to cut taxes, we'll have to explain which programs will suffer cuts. If we want to expand entitlements, we'll have to spell out how to pay for it. And no matter which party is in power, we'll be forced to distinguish wasteful spending and subsidies from the long-term priorities that really matter to our country.

In our country's economic meltdown last year, we all saw the damage that deep debt can do.

It's time for our federal government to learn that lesson, and act on it. If we fail to act, liberal and conservative, Democratic and Republican, priorities will suffer alike.