Congress Should Strike PAYGO Loophole in the 'Doc Fix' Bill

April 13, 2015

The Senate will vote Tuesday on the House-passed SGR reform bill, which would cost about $140 billion over the next decade and add about $500 billion to the debt by 2035. Encouragingly, the Senate might also consider removing a section of the bill that would exempt the costs of the bill from the Pay-As-You-Go (PAYGO) budget law.

Maya MacGuineas, president of the Committee for a Responsible Federal Budget, said the following:

"Congress is about to charge $140 billion to the nation's credit card. Striking the PAYGO loophole would at least require it to figure out how to pay off that balance by the end of the year.

"While removing the PAYGO loophole would not prevent the bill from being passed today without offsets, it would require Congress to find pay-fors this year – just as we have with 98 percent of SGR fixes in the past. This is dramatically better than throwing our hands up in the air, and saying, just charge it.

"Given that the President, House, and Senate all have proposed budgets that would reduce Medicare spending below current law and included significant deficit reduction in other areas, identifying $140 billion of savings by year's end should not be overly burdensome.

"Lawmakers have shown they can be bipartisan when it comes to adding to the debt. Now it's time to show that they can use that bipartisanship to come back to the negotiating table later this year to finish the job."

To read more about what it would mean to close the PAYGO loophole, see our blog.

##

For more information, contact Jack Deutsch at deutsch@crfb.org