



## **Dec. 15, 2023: Medicare Payment Reform Advocacy Update**



### **Bipartisan House legislation introduced to block 3.37% Medicare cuts**

The effort to eliminate another impending round of Medicare physician payment cuts received a major boost on Dec. 7 following the introduction of H.R. 6683, the Preserving Seniors' Access to Physicians Act (PDF).

Absent congressional intervention, Medicare physician payments will be reduced by 3.37% on Jan. 1, 2024, due to budget neutrality requirements within the Calendar Year 2024 Medicare Physician Fee Schedule (MPFS) Final Rule. Throughout 2023, the AMA, in conjunction with the other members of the federation, has worked diligently to develop long-term legislative solutions to flaws in the Medicare physician payment system. As the year draws to a close, AMA's lobbying campaign has turned toward the imminent 2024 payment cuts, and the result is bipartisan legislation from Representatives Greg Murphy, MD (R-NC), Danny Davis (D-IL), Brad Wenstrup (R-OH), Jimmy Panetta (D-CA), Larry Bucshon, MD (R-IN) and Michael Burgess, MD (R-TX) that eliminates, in full, the 3.37% payment reduction scheduled for January. The AMA is proud to support (PDF) this vital piece of legislation.

"Washington spends a lot of time talking about protecting health care access for Medicare patients, yet year after year, makes it more difficult for doctors to take care of them," said Congressman Greg Murphy, MD. "This bill takes action on a critical issue others refuse to do—pays physicians, who serve Medicare patients out of the goodness of their hearts, because Medicare payments simply don't pay for the cost of care. I am past done with the onslaught of cuts made by politicians and unelected bureaucrats who regard doctors and patients as little more than cogs in the wheels of health care. Sooner, rather than later, physicians are just going to stop taking Medicare. If you own the hardware store, why would you sell a hammer for a dollar when it costs you two dollars? Enough is enough. This is one more step towards fixing the broken Medicare system."

Prior to the introduction of H.R. 6683, select House and Senate committees with jurisdiction over the Medicare program took interim steps to alleviate a portion of the 3.37% payment cut. More specifically, in November, the Senate Finance Committee passed S. 3430, the Better Mental Health Care, Lower-Cost Drugs, and Extenders Act of 2023 (PDF), sweeping legislation that, among other things, provides physicians with an additional 1.25% increase to the MPFS conversion factor. This will ultimately reduce the 3.37% cut to just over 2%. Earlier this month, the House Energy and Commerce



Committee passed separate stand-alone legislation, specifically H.R. 6545, the Physician Fee Schedule Update and Improvements Act (PDF), that also provides physicians with an additional 1.25% increase to the MPFS conversion factor, as well as extends the alternative payment model incentive payments and increases the \$20 million statutory threshold that triggers the need for budget neutrality adjustment to \$53 million.

Although AMA appreciates the previous actions of the Senate Finance and House Energy and Commerce Committees, it is imperative that Congress enact legislation stopping the 3.37% cut, in full. The introduction of H.R. 6683 will prove useful as House and Senate leadership continue to debate the final policy that provides relief to physicians from these impending payment reductions before the Jan. 19 deadline to pass legislation to prevent a government shutdown. AMA members are encouraged to contact their members of Congress and urge them to cosponsor the Preserving Seniors' Access to Physicians Act.

## **Hundreds of House members urge action on pending Medicare payment cuts**

Nearly 200 bipartisan members of Congress cosigned a Dec. 13 letter (PDF) led by Representatives Mariannette Miller-Meeks, MD (R-IA), Ami Bera, MD (D-CA), Larry Bucshon, MD (R-IN) and Kim Schrier, MD (D-WA) urging House and Senate leadership to expeditiously pass legislation to address looming Medicare payment cuts. Absent congressional intervention, Medicare physician payments will be reduced by 3.37% on Jan. 1, 2024, due to budget neutrality requirements within the Calendar Year 2024 Medicare Physician Fee Schedule (MPFS) Final Rule. Reps. Miller-Meeks, Bera and Bucshon, as well as Raul Ruiz, MD (D-CA), are also the lead sponsors of H.R. 2474, the Strengthening Medicare for Patients and Providers Act, bipartisan legislation that would provide physicians with an annual, permanent inflationary payment update in Medicare tied to the Medicare Economic Index (MEI).

While the AMA strongly supports H.R. 2474 as it is part of the longer-term effort to overhaul the flawed Medicare payment system, this letter helps draw greater attention to the short-term need to stop the 3.37% physician reimbursement cuts. The letter comes on the heels of Representatives Greg Murphy, MD (R-NC), Danny Davis (D-IL), Brad Wenstrup (R-OH), Jimmy Panetta (D-CA), Larry Bucshon, MD (R-IN) and Michael Burgess, MD (R-TX) introducing H.R. 6683, the Preserving Seniors' Access to Physicians Act (PDF) on Dec. 7. This bipartisan bill stops the 3.37% cut, in full.

To capitalize on the grassroots momentum associated with the letter from Representatives Miller-Meeks, Bera, Bucshon, and Schrier, physicians should contact their members of Congress and urge them to cosponsor H.R. 6683. The AMA is also proud to support H.R. 6683 (PDF) and sincerely appreciates the ongoing grassroots advocacy related to stopping Medicare payment cuts.



## **Act now: Deadline approaching to apply to avoid a MIPS penalty in 2025**

In response to advocacy from the AMA and organized medicine, physicians may now apply for an Extreme and Uncontrollable Circumstances hardship exception to avoid an up to 9% Merit-based Incentive Payment System (MIPS) penalty due to the impact of the COVID-19 public health emergency (PHE). The penalty would apply in 2025 based on the 2023 performance period. The exception will not be automatic, and interested physicians and groups must actively request reweighting of one or more MIPS performance categories due to the COVID-19 PHE. Requesting reweighting of all four MIPS performance categories will avoid a MIPS penalty in 2025. Applications can be submitted through Jan. 2, 2024.

This is a big relief for physicians and their patients because the AMA is hearing that physicians are facing MIPS penalties for the first time in 2024 due to the increasingly stringent requirements to participate in MIPS. It is also likely that small and rural practices, as well as practices providing care to underserved populations, would have been disproportionately impacted by these penalties.

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