

Why Congress must act now to prevent physician Medicare pay cuts

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What's the news: The AMA and more than 120 other physician organizations sent a letter to congressional leaders supporting bipartisan legislation to extend the Medicare sequester moratorium suspending the federal budget's 2% payment cuts to physicians through the end of the COVID-19 public health emergency (PHE).

"We are deeply concerned that persistently high COVID-19 rates will continue to stress the entire health care system, especially physician practices," the letter says.

The letter urges the leaders to pass the Medicare Sequester COVID Moratorium Act "to help alleviate the unrelenting fiscal demands of the pandemic." The measure is sponsored by Reps. Brad Schneider, D-Ill., and David McKinley, R-W.V., and has eight cosponsors—six Democrats and two Republicans.

The AMA Physicians Grassroots Network is calling on physicians to tell Congress to support the bill, H.R. 315. Take action now.

Why it's important: A sequester moratorium was originally included in the Coronavirus Aid, Relief and Economic Security (CARES) Act and it suspended the 2% cuts to Medicare claims from May 1–Dec. 31, 2020. A three-month extension of the moratorium that was included in the Consolidated Appropriations Act of 2021 keeps the suspension in place through March 31, 2021.

"Even with the encouraging development and deployment of an effective vaccine, the fact remains that physician practices will continue to face overwhelming financial challenges and pressures associated with higher overhead costs (e.g., personal protective equipment) and lost revenue due to fewer patient visits and delayed elective procedures," the letter says.

Last year, the AMA conducted a survey on the financial impact of COVID-19 on physician practices and found physicians have averaged a 32% drop in revenue since February 2020.

Expenses are also up, as 64% of physicians surveyed reported that they were spending more on personal protection equipment (PPE). The average increase was 57%.

“With the March 31 deadline looming, it is critical for Congress to take immediate steps to further postpone the imposition of the Medicare sequester,” the letter says. “We, therefore, strongly urge you to pass H.R. 315, the “Medicare Sequester COVID Moratorium Act”—bipartisan legislation that would continue the current Medicare sequester moratorium for the duration of the PHE.”

Learn more: The AMA’s recently revised financial checklist gives doctors and administrators high-level guidance and 14 practical tips for keeping medical practices in business during this public health crisis.

Learn why physician advocacy at all levels will be key in 2021.