

# Bipartisan approach needed to stop cuts to Medicare physician pay

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**Kevin B. O'Reilly**

News Editor

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**Editor's note:** *The U.S. Senate has voted overwhelmingly to extend the 2% Medicare sequester moratorium that is set to expire April 1. The House of Representatives is expected to pass the Senate language when it returns from its Easter recess in mid-April.*

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**What's the news:** The AMA is urging House Republican and Democratic leaders to work together on a bipartisan basis to prevent arbitrary across-the-board Medicare cuts that threaten the financial viability of physician practices during the pandemic.

The AMA supports the provisions of H.R. 1868, which would stop scheduled cuts totaling 6%.

**Why it's important:** In a letter to House Speaker Nancy Pelosi, a Democrat, and Republican Minority Leader Kevin McCarthy, AMA Executive Vice President and CEO James L. Madara, MD, pointed out that physician practices still face overwhelming financial challenges and pressures associated with higher overhead costs such as personal protective equipment and lost revenue due to fewer patient visits and delayed elective procedures during the pandemic.

In December, Congress "recognized the devastating impact of COVID-19 across the economy, particularly on physician practices," Dr. Madara wrote, and took action to prevent the imposition of 2% Medicare sequester cuts, most recently through enactment of the Consolidated Appropriations Act, 2021.

"Injecting additional uncertainty into the health care system is an unnecessary distraction during a time when physicians and others are focused on fighting the pandemic," Dr. Madara wrote.

H.R. 1868 would extend the moratorium on the 2% Medicare sequester cuts beyond the March 31, 2021, deadline. Also, the bill protects physician practices by avoiding an additional Medicare statutory pay-as-you-go (PAYGO) cut of up to 4% that is set to be triggered by the budgetary impact projected

under the American Rescue Plan Act of 2021 recently signed into law.

“We strongly urge Congress to work in a bipartisan fashion to take immediate action to ensure not only that the policies contained in this bill are enacted into law, but also provide additional assistance to physicians as they attempt to care for patients while struggling to keep their practices operating,” the AMA letter says. “This needed assistance can take many forms, such as removing barriers to patient care, mitigating future Medicare cuts caused by policies included in the 2021 Physician Fee Schedule rule, or directing resources to address physician needs through the Provider Relief Fund.”

**Learn more:** Medicare physician spending fell by as much as 57% below expected pre-pandemic levels in 2020, according to the AMA’s recent analysis of Medicare physician services claims data.

Read about COVID-19’s financial impact on physician practices.