Todd Askew on delay in Medicare cuts and its impact on practices

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In today’s COVID-19 Update, a discussion with Todd Askew, the AMA’s senior vice president of advocacy in Washington, D.C., about the recent delay of Medicare cuts, and what it means for physician practices, as well as getting those practices COVID-19 vaccinations for distribution in their communities.

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Speaker

- Todd Askew, senior vice president, advocacy, AMA

Transcript

Unger: Hello, this is the American Medical Association's COVID-19 Update. Today, we’re joined by Todd Askew, the AMA’s senior vice president of advocacy in Washington, D.C. will give us an update on the AMA's latest advocacy efforts. I'm Todd Unger, AMA’s chief experience officer in Chicago. Mr. Askew, there was just a big win for physicians with the delay of Medicare cuts. What does this mean for physician practices?

Askew: Sure. Thanks, Todd. Thanks for having me. Sure. About four or five weeks ago, Medicare was scheduled to re-institute a 2% sequester on Medicare payments. It had been suspended at the beginning of the year for three months, recognizing the financial pressure that practices have been under, and it was three months, and so we had worked very hard across medicine and got a lot of support on the Hill and were able to extend that moratorium on that 2% sequester through the end of
this calendar year. That's literally 2% more Medicare revenue flowing into practices than otherwise would have been the case, which is pretty critical right now.

**Unger:** I mean, I think that translates to a lot of money. Does that not?

**Askew:** It's substantial. Two percent doesn't seem like a lot, but Medicare is, obviously, especially for some practices, the largest payer there is, and given the financial pressure we've seen on physician practices over the past year significant revenue drops, and we're coming back now, but there's obviously still a deficit to be made up. The number of visits still down. Coming back to normal, but still down. Literally, every little bit helps. This was a good one. Normally, it would have occurred April 1, but some flexibility from the federal government in holding claims for a couple of weeks, and they were able to get the changes made and are now processing claims at the full amount.

**Unger:** Well, good work to you and the AMA advocacy team on that. Could you just paint a picture for why this would have been so devastating had the moratorium not been extended?

**Askew:** Sure. It would have been essentially a 2% across the board cut on Medicare physician payments. We also know that so many other payers pegged their rates to Medicare and so you probably would have seen a ripple effect. Given the financial pressures, physician offices have been under with the significant drops in visits and revenue over the past year just now starting to get back to normal, but still a huge challenge and a big deficit to make up. Two percent will make a difference for a lot of providers, especially those physicians who are very dependent on Medicare revenues.

**Unger:** I think what you mentioned is there's still more to come, some additional hurdle, so to speak, in regard to the sequester. What happens from here?

**Askew:** You're absolutely right. This was extended. This sequester moratorium was extended through the end of the year, January 2022. That 2% will come back also as part of the American Rescue Plan, which was passed recently. There is a larger sequester. It's a government-wide sequester, essentially, and Medicare is limited, but it is another 4% cut for 2022. Now, there's pretty broad support for waiving that before the end of the year, but it is one more thing that Congress is going to have to tend to, to prevent an additional 4% cut from occurring.

We also face the fact that in dealing with some other schedule cuts to Medicare payments and not letting those go into effect at the beginning of this year, there was a 3.75% add-on payment that was included for Medicare payments. That's going to go away too at the end of the year. While it was intended to be temporary, we would like to find a way to ease that transition so that it's not an additional drop in revenue. A lot of different pieces putting pressure on Medicare payments for physicians in 2022. We'll be spending a lot of time talking to Congress and working to ameliorate those cuts during the course of this year.


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Unger: No greater example of the need for speaking with a unified voice. Again, thank you to you and the team for that. Speaking of other advocacy news, can you talk about your efforts to support physician practices, increased involvement in vaccine distribution and the success that we've seen there today?

Askew: No, absolutely. I think probably at the beginning of the vaccination effort where you had supply far falling short of demand, it made a lot of sense to get vaccines to where you could just run a lot of people through as fast as possible, but we know that especially as we now cross that line where the supply is coming up and the demand is starting to wane, we know the best messenger and the best source of information that patients trust is their physician, and so it makes sense to make sure physicians play an increasingly central role in vaccination.

We have had some success in working with the federal government in order to make moves to increase that supply going into physician offices. CDC has recently issued some guidance encouraging states to increase the percentage of their allocations that are flowing directly to physicians. Initially, that's focused on primary care offices and those offices that are in underserved areas, but we continue the conversation to grow to additional specialties and additional areas where the Feds are pushing to get vaccines into physician hands because now that we're facing a lot of folks who have just decided the vaccine's not for them, they're going to wait, it's the physician that can reach out to those patients, determine their vaccination status and encourage them. If they can say, "Come into the office and get it," it's a lot more effective than just saying, "Go down to your local CVS," or whatever to get the vaccine. To help preserve that care and that relationship of trust really will go a long way to encouraging these individuals to get vaccinated.

Unger: Yeah. That's incredibly true. In fact, we just spoke with Dr. Tom Frieden, former director of the CDC and CEO of Resolve to Save Lives, talking about research that they had just conducted that just underscores what you said right now, two things. Physicians are who folks trust, and the other issue is around access, convenience and just being able to get it done. That will be very important. Did the CDC provide any guidance on which physician offices should be prioritized and any other kind of guidance physicians should know about?

Askew: Mainly primary care offices for now, and those in underserved areas, but we have we've made the point that it's not just primary care offices that have the opportunity and the relationship with these patients. Certainly, that's a critical element of it, but other physicians could play an important role here, and it's not just underserved areas. While there is a need in a lot of areas to increase access, there's also a need to reach out to those individuals who are hesitant even in areas where there may be plenty of supply and it's not as much of an access issue.

While they're initially looking at underserved areas and primary care offices, we're working with them to grow that. It's been a great deal of variability through the states. Some states have been sending vaccines to physician offices from the very beginning, though in limited amounts, and some have not. I
think folks are increasingly, as you mentioned, Dr. Frieden's comments, and you've seen a lot of people know the important role that physicians have in closing this last gap, reaching those last people to get us where we need to be.

**Unger:** It is. It's that moveable middle that we're in right now and so important for trusted people like physicians to be involved in that process. Well, let's turn to one other place that is potentially thorny, and that's this issue of vaccine credentials. It's kind of new territory in some respects for health care. It looks like the AMA is getting involved in that discussion. Can you talk about that?

**Askew:** Sure. Vaccine credentials is a controversial idea in some areas. There has been a lot of discussion about whether or not people should essentially carry proof of vaccination and whether or not employers, places of business, airlines should be saying, "This is for people who are vaccinated only," and limiting access to certain places based on your vaccination status. The federal government has basically said they're not going to mandate that, they're not going to be the ones that decide whether or not folks should have access based on their vaccination status, but we have been encouraging the federal government to at least set the standard so it's not the Wild West of vaccine credentials and to say what are the important considerations that people should take under advisement here what should a vaccine credential be.

We have made some initial comments to the federal government on a couple of areas where we do have policy. One of those, obviously, is privacy. I mean, if a vaccine credential simply says, "The person who has this credential has been vaccinated," that's one thing, but of course, we have seen some entities developing vaccine credentials, which may capture a lot more information and may share that information in ways that the holder of the credential may not be aware of. We want to make sure that this is for what it's for. It is to show that you've been vaccinated, not for other purposes.

The second thing is equity. Until everyone has an equal opportunity and access to vaccination, we shouldn't be discriminating among people based on their vaccination status. Now, those arguments, as everyone does have access, as we get to that point, there are arguments to be made on both sides of that debate, but we shouldn't have an inequitable situation where someone can't access it yet and they are discriminated on upon based on that status.

**Unger:** Well, thank you so much, Mr. Askew, for sharing your perspective and giving us an update on the latest advocacy efforts at the AMA. It's clear that these are important topics. Physicians need to care about them and it really matters to speak with a unified voice for medicine.

That's it for today's COVID-19 Update. We'll be back with another segment shortly. In the meantime, for resources on COVID-19, visit ama-assn.org/COVID-19. Thanks for joining us, and please take care.
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