Solid House majority backs stopping Medicare physician pay cliff

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What’s the news: A bipartisan pair of congressional physicians is leading a major effort urging the House leadership to avert impending Medicare payment cuts that add up to a reduction of nearly 10% effective Jan. 1.

Reps. Ami Bera, MD, D-Calif., and Larry Bucshon, MD, R-Ind., were joined by more than 245 other representatives from both parties in a letter asking House Speaker Nancy Pelosi and Minority Leader Kevin McCarthy, both of California, to provide financial sustainability for physicians and help maintain access to care.

“We must act before the end of the year to avert the imminent cuts,” which should include extending the 3.75% Medicare physician fee schedule pay adjustment, Drs. Bera and Bucshon wrote in the letter (PDF). Such a move would “provide continued stability for physicians and other health care professionals.”

“Otherwise, the profound exhaustion from the pandemic combined with the stress of uncertainty in payments may lead to further retirements, office closures, or reduced staffing, ultimately limiting patient access to care,” the letter adds.

Why it’s important: Physicians are facing an array of payment cuts totaling around 10%, which will further strain physicians and their practices and could impede patients’ access to care. These include:

- Expiration of the current reprieve from the 2% sequester stemming from the Budget Control Act of 2011.
- Imposition of a 4% statutory pay-as-you-go sequester resulting from passage of the American Rescue Plan Act, presumably for at least another 10 years.
- Expiration of the congressionally enacted 3.75% temporary increase in the Medicare physician fee schedule
(PFS) conversion factor to avoid pay cuts associated with budget-neutrality adjustments tied to PFS policy changes.

A statutory freeze in annual Medicare PFS updates under the Medicare Access and CHIP Reauthorization Act (MACRA) that is scheduled to last until 2026, when updates resume at a rate of 0.25% a year indefinitely—a figure well below the rate of medical or consumer price index inflation.

Both physician legislators noted the harm these cuts would cause.

“As an internal medicine doctor by training, I know that cutting payments for physicians during this global pandemic will further strain our health care system and the ability for health care professionals to provide the best care for their patients,” said Dr. Bera in a news release.

“As a practicing surgeon for nearly 15 years, I believe that no doctor should have to worry about the uncertainty of looming reimbursement cuts while battling COVID-19 on the front lines,” Dr. Bucshon said in the release. “Physicians are among the everyday heroes keeping our families healthy, our communities out of harm’s way, and our livelihoods protected during this pandemic. Now is not the time to ask them to take a reimbursement cut.”

Learn more: The AMA Physicians Grassroots Network has issued an action alert calling on physicians to contact their legislators and ask them to add their names to the letter and to support legislation to stop these cuts from taking effect next year.

Read more about Drs. Bera and Bucshon, who are among the AMA’s Capitol Hill allies protecting patients and practices.