

Congress moves to tackle Medicare physician pay cliff

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What's the news: Following months of fierce advocacy led by the AMA and other physician organizations, Congress acted this week to address the combined 9.75% in Medicare physician payment cuts, which amounted to a physician payment cliff and were set to take effect Jan. 1, 2022. President Biden is expected to sign the bill into law.

Highlights of the physician-payment provisions include:

- A delay in resuming the 2% Medicare sequester for three months (Jan. 1–March 31, 2022), followed by a reduction to 1% for three months (April 1–June 30, 2022).
- A one-year increase in the Medicare physician payment schedule of 3%, which is 0.75% less than the conversion factor boost provided for 2021.
- A one-year delay in the cuts to the clinical laboratory payment schedule.
- A one-year delay in the Medicare radiation oncology demonstration.
- Prevents the 4% Medicare pay-as-you-go (PAYGO) cut for 2022.

AMA President Gerald E. Harmon, MD, lauded to the Senate's passage of the legislation on Thursday.

"The wheels of Congress don't always move quickly, but today they did move toward preserving the viability of physician practices and maintaining access to care," Dr. Harmon said.

Why it's important: "Potential reductions in Medicare payments for physician services hung over the heads of patients and practices like a sword of Damocles," he added in a statement. "The Senate action today, following a similar House vote this week, would delay the reductions and give Congress time to work on reforms to address the flaws in the Medicare payment system.

"There is no need to wait for the last minute to start working on the systemic problems," Dr. Harmon said. "These automatic cuts should remind members of the needed reforms. Congress can get a head

start on doing the right thing when it reconvenes early next year.”

In a statement earlier this year, Dr. Harmon noted that the nearly 10% Medicare payment cliff arrived “at a time when physician practices are still recovering the personal and financial impacts of the COVID public health emergency.”

Learn more: Todd Askew, the AMA’s senior vice president of advocacy, appeared on the “AMA Moving Medicine” show to detail the legislative halt to the physician pay cliff and outline the need for longer-term, structural changes to Medicare physician payment that protect patients’ access to care and practice sustainability.