Todd Askew on new legislation that averts Medicare payment crisis

AMA's Moving Medicine video series amplifies physician voices and highlights developments and achievements throughout medicine.

Featured topic and speakers

In today’s episode of Moving Medicine, AMA Chief Experience Officer Todd Unger and AMA Senior Vice President of Advocacy Todd Askew discuss what physicians need to know about new legislation that averts a Medicare payment crisis. Also covering, the AMA's role in this victory for patients, physicians and our health care system.

Speaker

- Todd Askew, senior vice president, advocacy, AMA

Transcript

Unger: Hello, this is the American Medical Association's Moving Medicine video and podcast. Today we're joined by Todd Askew, the AMA's senior vice president of advocacy in Washington, DC, who will share what physicians need to know about new legislation that averts a Medicare payment crisis. I'm Todd Unger, AMA's chief experience officer in Chicago. Todd, first, thanks for joining. I know you've been very busy on this particular topic, and I just want to start by saying congratulations on this new legislation. I know it's a huge victory for patients, physicians and the health care system, and the AMA and its grassroots network played a huge part in this victory. Let's start first with a little bit of background. Tell us about what the cuts were going to do if they were to have taken effect.

Askew: Sure, Todd, and thank you very much. This is a big deal. It's a big deal for physicians, for the AMA, for the whole Federation of Medicine. It was really a great effort that came together here after a lot of work by a lot of people. So you'll recall that towards the end of last year, we were facing some
fairly significant payment cuts in some specialties due to the implementation of the new E&M coding structure, and that was obviously paired with a significant financial hit that a lot of practices were taking because of the impact of lower patient volumes during the heart of the pandemic, at that time. So Congress stepped in at the end of the year after, again, a lot of work, a big effort, and made a couple of adjustments for last year.

One, they gave a 3.75% across-the-board bonus, or add-on payment if you will, for one year. And the second thing they did was suspend the sequester. The sequester is a legacy of a failed budget bill 10 years ago, where every year Medicare payments are actually 2% below where they should be. So they put a moratorium on the sequester, which added an extra 2% to physician payments. That was a good cushion to help physicians stay above, put some more revenue into practices to deal with the challenges we were facing.

Later in the year, early this year, Congress passed another, the American Rescue Plan Act, which provided a lot of really important investments in things like health care coverage, for example, and other important investments that were needed. But congressional scoring rules meant that that was going to have to be offset under a structure called PAYGO. And that essentially means at the end of the year, they add up how much they overspent and they basically cut everything. So that was going to lead to another 4% cut in Medicare payments beginning this January.

So with the expiration of the two bonus programs, or the moratorium on the sequester and the bonus program, and the addition of this 4% PAYGO cut, we were looking at Medicare rates being 9.75% below where they were this year. So a pretty significant hit to all take in one year or even over a couple years for physicians, even when we have seen that revenue is coming back, but we're still not there, and we're still facing the challenges and the higher cost associated with caring for patients during the pandemic.

**Unger:** Well, that would've been an enormous hit to physicians, but also there's an impact on patients and the healthcare system as a whole. Why is it so important or why was it so important for Congress to take action?

**Askew:** Well, trying to absorb almost a 10% pay cut in one year would've been impossible, especially with the challenges physicians are facing, not only the higher cost of caring for the patients that I mentioned. Labor, we've seen, for example, nursing staffs are very much in demand, and labor costs have gone up or are significantly higher than they might otherwise be. And if you don't have the personnel in the office, if you're not able to keep your doors open, everything with inflation is going up, you're not going to be able to see the patients. So if you can't keep revenue flowing, patients are going to suffer and access is going to suffer.

**Unger:** So the AMA has been working on this for months, urging Congress to take action to avert these payment cuts. And just this past week, legislation was introduced and passed to address the
issue. Give us the highlights of that.

**Askew:** Well, sure. It's really amazing because just a couple of weeks ago, we've been banging away at this and talking to legislators for six months about this, as have folks across the entire Federation of Medicine. In the last couple of weeks, we've really ratcheted up the grassroots pressure, and the grassroots have responded tremendously. But even as recently as a couple of weeks ago, the line from Capitol Hill was, it's a huge lift, there's really not a lot we can do, we may be able to help a little bit, but it doesn't look like we're going to really be able to make a big dent here.

And then, just continued pressure from the AMA lobbying team and others. I had a boss who used to say that the difference between a dog and a lobbyist is when you open the door, the dog stops barking. So literally the AMA team and others just kept hammering away, and we ended up with a piece of legislation introduced, like you mentioned, just last week. And it moved very quickly through Congress. We ended up with pretty much most of the cuts being ameliorated, and a lot of help for physicians.

**Unger:** That's excellent news and real tribute to your team and the grassroots efforts. What's next for this bill? When does it take effect?

**Askew:** So January 1, the payments will not be cut and that's really the key here. The bill had several really important elements. The sequester moratorium was not going to go on forever, but what we have done is preserve that full moratorium, so that 2% higher than it would be normally for the first quarter of 2022. It goes down by 1% for the second quarter. And then we have the sequester back to the status quo as it was a year ago in the second half of the year. The 3.75% bonus from last year, it expires but they have given now a 3% bonus. So not quite as much, but still significantly above where we would've been. And also the 4% PAYGO cut across the board has been put off. So essentially we're going to be about 9% higher payments than we were scheduled to be under current law beginning in January.

There are a couple other important provisions too. There's a radiation oncology demonstration model that has been a source of a lot of consternation. That has been delayed for a year, so maybe we can get it right. Also there were some clinical lab fee schedule cuts and reporting requirements that were supposed to come into place that we've been working on. Those have been put off for another year as well. So they did hit some of the most important priorities that needed to be addressed before January 1. We'll just keep working on this because we can't keep doing this every year. Congress needs to take a step back, realize this is difficult for doctors, the uncertainty, and it's difficult for Congress at the end of every year, having to scramble and put together a legislative package that it should be a no-brainer, but they never seem to get to it until the end of the year.

So we're going to have to talk about real reform. We're going to have to talk about things like getting rid of budget neutrality, which means if one service gets an increase, all the other services have to be
decreased in order to compensate for it. We have to talk about streamlining the programs. They're very complicated, very burdensome to participate in, and they don't make a lot of sense to physicians who want to be able to provide high quality care, but the system is just not set up in a way that makes it easy to demonstrate that.

Another one is an update. We don't have a regular update that builds in the increasing cost of medical inflation every year, and that doesn't make any sense. So every single year, the value of physician services and the payment for physician services is being eroded because inflation and costs keep going up, but the payments don't.

So there's a lot of work to do, but I think a lot of members saw this time that they don't want to be stuck in this position again, and maybe we'll be able to start building that momentum in the new year.

Unger: Now this is a clear example of where amplifying physician voices on this incredibly important matter really move the needle. Can you talk a little bit about the AMA and its grassroots network and how they work together to push for this legislation to pass?

Askew: Absolutely. This is just key. When the dial got turned up on grassroots, the grassroots responded. Both the patients and the physicians were very active in reaching out to members of Congress. I think the last number I saw was well over 133,000 direct messages sent to Congress, 13 million impressions through various social media channels, and the phone calls directed right to the people who were making the decisions. It was really a very, very impressive effort. And that continued literally right up until the last minute to pass the Senate. To get cloture, of course you have to have 60 votes in the Senate. And of course there were 50 Democrats who had agreed to vote for it. Senator McConnell, the Republican leader was for it. So they needed to get 10.

Our team spent time working with the state medical associations and calling directly into those offices and talking to those senators and their staffs about why they needed to support. And that made a real difference. It helped put us over the number we needed to get cloture or to end debate in the Senate. And that's what got this bill passed and on its way to the president's desk.

Unger: Well, that's amazing and powerful. How do physicians and listeners get involved in AMA's other grassroots campaigns?

Askew: Absolutely. We have the Physicians Grassroots Network and a VIP program for very influential physicians who may have a personal strong relationship with a member of Congress. You can find out all the information about how to get involved there at Physicians Grassroots Network, all one word, physiciansgrassrootsnetwork.org. There you'll find information on how to sign up. We try not to flood your inbox with lots of stuff, but it sure does help when we need to get those phones ringing and those email boxes full to be able to press a button and have people spring to life.
Then I would also really encourage people if they're not already, to subscribe to the AMA's advocacy update. I think it's ama-assn.org/advocacy-news. And by signing up for that, we keep you informed every other week of what's going on in Washington, what the AMA is doing, so that when it comes time to need to weigh in, you already know what's happening and what the need is.

Unger: There's really no time like the present to amplify physician voices. Again, look at physiciansgrassrootsnetwork.org for more information on how to get involved in that, and definitely sign up the AMA’s advocacy update, ama-assn.org/advocacy-news. Todd, thanks so much for joining us for this special update. Congratulations to you, the team, the Federation for moving this legislation forward. That's it for today's episode. We'll be back with another update shortly. Thanks for joining us. Please take care.

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