

As Congress breaks, doctors must take up message on Medicare pay

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Members of Congress will be heading home for their August recess and the AMA is urging physicians to reach out to their legislators with a two-fold message: Stop the Medicare physician payment cuts scheduled for Jan. 1, 2023, and reform the Medicare payment systems so that the same message won't have to be delivered year after year.

“The overall goals of Medicare payment-system reform are: simplicity, relevance, alignment and predictability,” both for physicians and for the Centers for Medicare & Medicaid Services (CMS), said Cynthia Brown, the AMA’s vice president of government affairs. “A lot of the problems we're seeing are because the system we have is so complicated that even the Medicare agency can't quite implement it correctly.”

Leading the charge to reform Medicare pay is a critical component of the AMA Recovery Plan for America’s Physicians. You took care of the nation. It’s time for the nation to take care of you. It’s time to rebuild. And the AMA is ready.

The AMA has challenged Congress to work on systemic reforms and make Medicare work better for you and your patients. Our work will continue, fighting tirelessly against future cuts—and against all barriers to patient care.

Brown spoke during “Medicare payment principles—A vision for reform,” part of the “AMA Advocacy Insights Webinar Series.”

The webinar detailed the cuts scheduled to take effect Jan. 1 and outlined the “Characteristics of a Rational Medicare Payment System” (PDF) developed by an AMA-led coalition of 120 state medical and national specialty societies. Physicians also were encouraged to contact their legislators and tips were given on how to do so, along with resources to help guide the conversation.

Learn with the AMA about why the Medicare payment systems is on an unsustainable path.

History repeats

Last year, physicians faced Medicare payment cuts totaling 9.75%, scheduled to take effect Jan. 1.

“These cuts would've been untenable during normal circumstances but were beyond reckless during the public health emergency we continue to face,” said Sandra Adamson Fryhofer, MD, chair of the AMA Board of Trustees. “Additional work is necessary for permanent payment reform.”

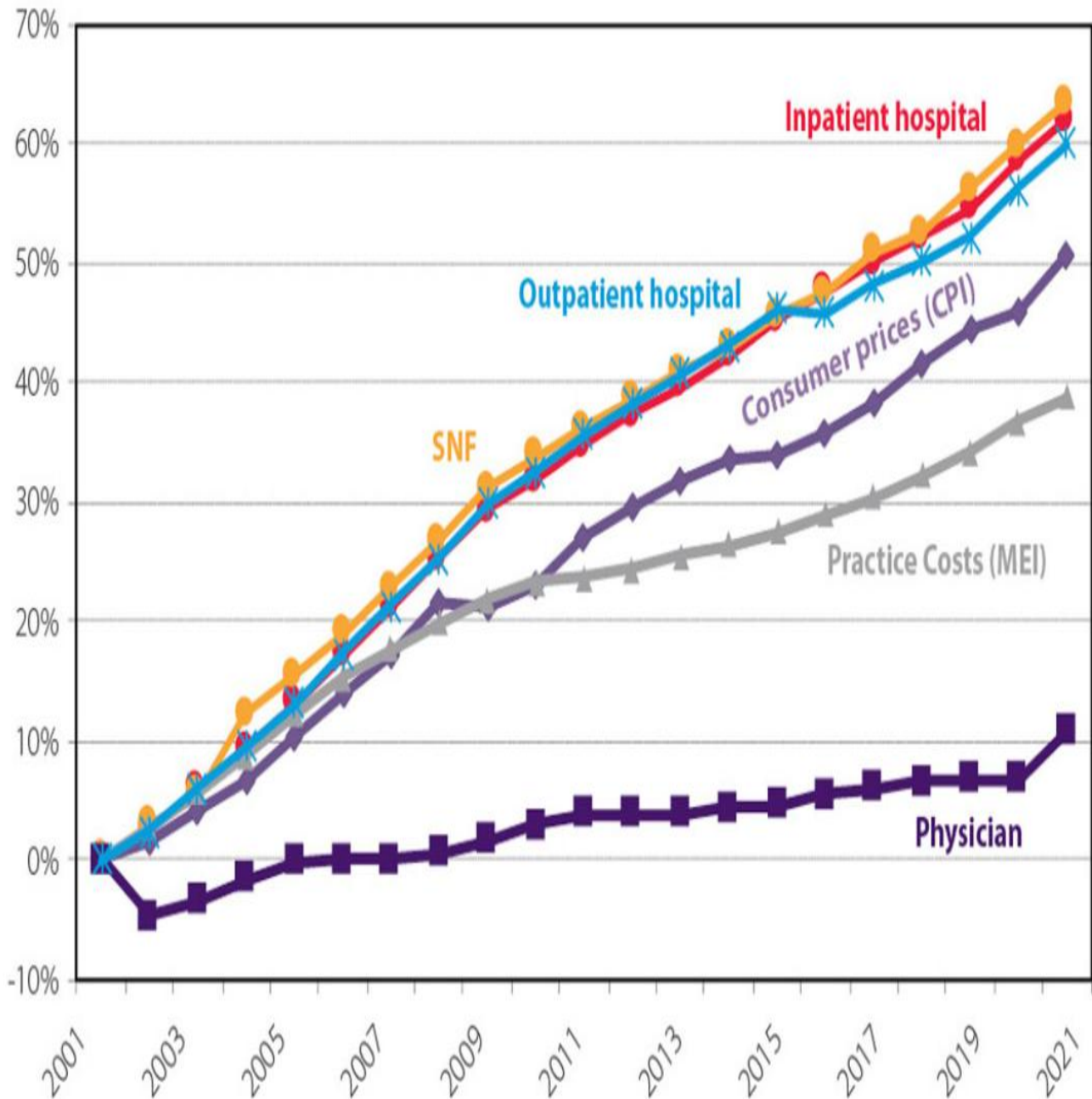
Congress passed legislation averting these cuts in December, a Christmastime ritual no one wants to maintain.

“We don't want to be here asking for money every year at the end of the year—and members of Congress don't like it,” Jason Marino, the AMA's director of congressional affairs, said in the webinar. “We want a bridge to a permanent solution—so we have a normal, functioning system like the hospitals, nursing homes, and home health agencies. They don't have to have to come to Congress every year.”

Physicians are facing a “portfolio of cuts” totaling 4.5%, Marino noted. But that's just the beginning. Coupled with 9% inflation, physicians' Medicare payment update for 2023 is 0%. Also, a 5% bonus for successfully participating in an alternative payment model is expiring and a \$500 million bonus pool for Merit-based Incentive Payment System high performers is “going away,” he added.

While payment rates for hospitals, nursing homes and the like are adjusted for inflation, rates for physicians are not, as shown in the AMA-developed chart below.

Cumulative change of Medicare updates compared to inflation



Sources: Federal Register, Medicare Trustees' Reports and U.S. Bureau of Labor Statistics

“That chart just tells the story, and we have senators now talking about this chart—that’s how you know it’s resonating,” Marino said. “Everyone who sees that chart realizes that’s not a sustainable path.”

Marino added, however, that there is skepticism among members of Congress that Medicare’s physician payment rates are causing patient-access problems. So physicians must tell their senators and representatives how Medicare pay uncertainties hinder giving raises to staff, buying new equipment and investing in their practices—and how this impedes patient access.

“You want to create some empathy,” he advised. “You have to start with making a connection with your own story, what this means to you as a physician, what it means for your patients’ access, and humanize it in a way that only you can.”

Tools for lawmaker meetings

Use these materials and contact your members of Congress to let them know the Medicare physician payment system needs reform.

- The need for Medicare payment reform (PDF).
- Congress must stop Medicare payment cuts triggered by budget neutrality (PDF).
- Medicare updates compared to inflation (2001–2021) (PDF).
- Medicare Alternative Payment Models (PDF).
- Characteristics of a Rational Medicare Physician Payment System. (PDF)