Senators sound alarm on need to stop Medicare physician pay cuts

NOV 4, 2022

Kevin B. O'Reilly
News Editor

Forty-six senators have signed a letter to Senate leaders Charles Schumer, D-N.Y., and Mitch McConnell, R-Ky., expressing serious concerns regarding the stability of Medicare payments for physicians and support for bipartisan, long-term payment reform.

The “dear colleague” letter, led by Michigan Democratic Sen. Debbie Stabenow and Wyoming Republican Sen. John Barrasso, also urges Congress to address the budget-neutrality cuts scheduled to take effect in next year’s Medicare physician payment schedule.

The letter comes on the heels of the release earlier this week of the 2023 Medicare physician payment schedule, which has put “Congress on notice that a nearly 4.5% across-the-board reduction in payment rates is an ominous reality unless lawmakers act before Jan. 1,” according to AMA President Jack Resneck Jr., MD.

Although the senators’ letter does not address all of the immediate concerns that doctors nationwide have regarding Medicare physician payment, the AMA welcomed the letter as a sign that pressure is building in the Senate to take the actions needed to protect older adults’ access to physician care.

Leading the charge to reform Medicare pay is a critical component of the AMA Recovery Plan for America’s Physicians.

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.
What the AMA is seeking

Before the end of 2022, Congress should:

- Provide relief from the scheduled 4.42% budget-neutrality cut in Medicare physician fee schedule payments.
- End the statutory annual freeze and provide a Medicare Economic Index update for the coming year.
- Extend the 5% Advanced Alternative Payment Model participation incentive and halt the impossible-to-meet revenue threshold increase for five years to encourage more physicians to transition from fee-for-service into alternative payment models.
- Waive the 4% pay-as-you-go (PAYGO) sequester triggered by passage of the American Rescue Plan Act.

The AMA offered detailed comments (PDF) on the proposed 2023 payment schedule.

“It was immediately apparent that the 2023 Medicare physician payment rates not only failed to account for inflation in practice costs and COVID-related challenges to practice sustainability but also included the damaging across-the-board reduction,” Dr. Resneck noted. “Unless Congress acts by the end of the year, physician Medicare payments are planned to be cut by nearly 8.5% in 2023—partly from the 4% PAYGO sequester—which would severely impede patient access to care due to the forced closure of physician practices and put further strain on those that remained open during the pandemic.”

In their letter, 46 senators agreed that “Congress must address these vital payment challenges before the end of 2022 to ensure seniors continue to have access to care through a wide network” of physicians and other health professionals.

Senate leaders should work with members of Congress “on a bipartisan basis to address” the physician payment cuts that are imminent. “Going forward,” the letter says, “we support bipartisan, long-term payment reforms to Medicare in a fiscally responsible manner.”

Keep doctors’ doors open

Doctors and other health professionals “across the country are facing significant financial hardship due to higher practice costs and the impacts of COVID-19,” the senators’ letter to Schumer and McConnell notes. “Financial uncertainty due to pending payment cuts will only compound these challenges.”
Action should be taken “in the coming weeks” to ensure that doctors and other health professionals “have the resources they need to keep their doors open for seniors and families,” the letter says.

The AMA strongly supports H.R. 8800, the “Supporting Medicare Providers Act of 2022.” The bipartisan legislation aims to stop the scheduled 4.42% cuts to the Medicare physician pay rate and was introduced by Reps. Ami Bera, MD, a Democrat from California, and Larry Bucshon, MD, an Indiana Republican.

“Failure to act in the coming weeks could result in reduced staffing levels and office closures, jeopardizing patient access to care,” the senators noted. “We are especially concerned about this impact in rural and underserved communities. Failure to act on longer-term reforms will undermine Medicare’s ability to deliver on its promises to future seniors and generations.”

The AMA—in collaboration with 120 other physician and health care organizations—has outlined the essential principles (PDF) that can put the nation’s health care system on sustainable financial ground.