Reducing physician burden with Medicare payment with Todd Askew

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Featured topic and speaker

AMA Senior Vice President of Advocacy Todd Askew discusses the AMA’s latest advocacy efforts on Medicare physician payment reform. American Medical Association Chief Experience Officer Todd Unger hosts. Visit AMA Physicians Grassroots Network for more information.

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Speakers

- Todd Askew, senior vice president, advocacy, AMA

Transcript

Unger: Hello. This is the AMA Update video and podcast. Today we’re talking with the AMA senior vice president of advocacy, Todd Askew, about proposed Medicare payment cuts and getting Medicare on a sustainable path for physicians and patients. I'm Todd Unger, AMA's chief experience officer in Chicago. Todd it’s great to have you back but I feel like a little bit of Groundhog Day from last year. Here we are again. It’s the end of the year and we’re back fighting to avert deep Medicare

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payment cuts. I know we talked a number of times about the AMA's efforts in this area. It's a key part of our Recovery Plan for America's Physicians. Let's just start by talking about, are we any closer to getting to that kind of vision of a sustainable payment system that doesn't have to be reinvented every year?

**Askew:** Well Thanks Todd. Thanks for having me to talk about this critical subject. Yes, we are closer. Over the past year a lot of work has gone into consensus building, both among state medical associations and national medical specialties working with the AMA to build a consensus around a set of principles endorsed by over 120 of those organizations on what a new Medicare payment system should look like. What direction are we going at. And we've been taking that to Capitol Hill. We've been taking it to the administration and having those conversations.

And there is a clear understanding among policymakers now more so than ever that the status quo, this Groundhog Day as you mentioned every year having to fight cuts as opposed to focus on reform is just not sustainable. So I feel like we have moved forward. Of course, we still have the immediate cuts facing us and so that's where our effort is right at the moment. But I do really feel like momentum continues to build for substantial and sustainable Medicare payment reform.

**Unger:** One of the key obstacles Todd to getting to where we want to be I know is something you've mentioned before, which is the issues around budget neutrality. Can you just give folks out there a sense of what that is and why it's such a problem?

**Askew:** Right. So budget neutrality is part of really every Medicare payment system—hospitals, nursing facilities, as well as physicians, the idea is that things need to stay somewhat in balance. That if we increase the value of one service or new things that might be part of the program, then we have to spread the cost of that across all the other services, in this case physician services by lowering their value a little bit so that spending remains somewhat in check.

The reason it hurts for physicians, is more so than other sectors, is we don't have reliable updates. We don't have a built in inflationary update that helps keep the overall pool of Medicare spending up with the increasing cost of providing care. So when budget neutrality impacts particular service or specialty negatively, there's nothing to offset it. It is just a decrease. And year after year after year that really erodes the reimbursement for a lot of important services. It wouldn't hurt so bad. It would not be pleasant but it wouldn't be as big a deal if we had inflationary increases like every other Medicare payment system. And so that's one of the main things that we need to take care of is looking at the rules around budget neutrality, making it harder to trigger, making sure that when we miss a projection, when the government misses an estimate of how much will be spent or how much spending will increase on a particular service, that we can go back and fix that otherwise the money we are supposedly offsetting just disappears from the pool.
Unger: Yet encourage folks out there to take a look there. A couple of key graphic displays around this particular topic showing really what’s happened over the past several years around this topic. Todd you want to add a little bit of detail about what we see in those charts?

Askew: Well the main thing we see is well two things. One of the charts you’ll see in some of the resources available on the AMA website is the erosion of Medicare physician payments in relation to inflation over the last 20 years. It’s down some 20% which is a substantial cut in relation to the increasing cost of providing the services. Other providers don’t have that impact over time because those inflationary updates are built in. The second thing you’ll see are the real cuts being proposed for physicians this year compared to increases for other sectors within other Medicare payment systems, mainly because again they have an inflationary-based update and physicians don’t. So all we have is negative whereas their negatives are offset by substantial inflationary-based increases.

Unger: And again, you can find that on the AMA site in our recovery plan area, you can just search on Google for AMA Medicare graph. So Todd, you mentioned earlier in the segment your number one focus right now, of course, are the cuts that are coming in the short term, what’s at issue right now?

Askew: Well the Medicare payment rule which came out a few weeks ago and is scheduled to go into effect on January 1 will reduce, well the rule reduces payments by 4 and a half percent. There’s an additional cut of 4%. So a total 8 and a half percent reduction across the board and in Medicare physician payments is scheduled for 2023.

There’s three components there. One of the components is something called Paygo. Essentially it’s a broad reduction in government spending over a number of categories, not just Medicare to make up for previous overspending if you will. That’s 4% of the cut. The other 4 and half is composed again of impacts of budget neutrality. Two years ago, there was a substantial budget neutrality adjustment downward for a lot of services because of some significant and important increases in E&M services.

Congress in the midst of the pandemic agreed it would be a bad idea provided for two years ago a 3.75% bump if you will, to offset the impact of that budget neutrality cut. This past year, 2022, that was 3% bump. That is now scheduled to expire. And so, the expiration of that 3% bonus, if you will, will negatively impact payments for 2023. And in addition, CMS has gone forward with the implementation of new E&M values for inpatient E&M services. That’s necessitating a further budget neutrality adjustment of 1 and a half percent. So there you find between Paygo the expiration of the previous bump and the new E&M adjustment, 8 and a half percent. reduction in Medicare payments to physicians for 2023.

Unger: So this is obviously a huge and very urgent problem. Tell us about how the AMA is advocating right now to prevent these cuts.
Askew: Well it's obviously a key part of our recovery plan for America's physicians. No policymaker believes that these type of cuts are sustainable. And there is a great deal of effort on Capitol Hill to find a way to avert all, well substantial portions of we obviously continue to advocate strenuously along with our partners in the Federation that all of these cuts should be stopped. So part of it is the Paygo. I think there's a reasonable expectation that the government could just waive the application of Paygo. We are hopeful that they will do that, and are advocating strenuously that they do so.

As far as the other 4 and a half percent cuts, there is a pool of funds to help stabilize Medicare. We're advocating for as much of that as possible to go to offset that the current for 4.5% cut. There are other things that we're working on as well. Obviously, there is a fund to provide bonuses to physicians that participate in alternative payment models to help ease that transition. However, that fund is expiring and even though most physicians have not really had the opportunity to participate in a model, because very few have been approved, and so we are advocating for the extension of that funding as well to make sure that those physicians who do have access to models or may in the next few years, will be able to take advantage of those resources to help ease that transition.

And so we continue to work every day and with our partners across the Federation of Medicine to talk to both the administration. But very importantly right now Congress as we're getting down towards the end of the year to stop these cuts from going into effect.

Unger: And from what I understand, you've been very successful, particularly on the Senate side and getting bipartisan support for that. Can you tell us more about that?

Askew: There's very strong bipartisan support actually in the House and the Senate. Over in the House side there's a piece of legislation HR1800. It's called the Supporting Medicare Providers Act by doctors and Congressman Ami Bera of California and Dr. Larry Bucshon of Indiana. They have a broad support in the House for that piece of legislation which would stop these cuts from going into effect. In the Senate also broad bipartisan support. Not only do we expect similar legislation to be introduced very soon in the Senate but we also have a recent letter.

We've had lots of letters but this one particularly led by Senator Debbie Stabenow of Michigan and Dr. Senator John Borrasso of Wyoming. 46 senators co-signing expressing extreme concern that cuts of this impact are going to negatively affect access and the ability of physician offices to continue to care for Medicare patients both in the short term, but obviously in the long term as well. And so those demonstrations of bipartisan support give us hope that there is an opportunity here in the final few weeks of this Congress to stop these cuts from going into effect.

Unger: Well since we are winding down in the year and that kind of looms here in a very short amount of time. What can physicians out there do to support the work that the AMA is doing?
**Askew:** Well, the most important thing they can do right now is to make their voices heard with their elected members of Congress with both their members of the House and the Senate. And I would strongly encourage folks to go to physiciansgrassrootsnetwork.org. It’s physiciansgrassrootsnetwork.org, and I think we can put the address up. And there you will find links and resources to help you contact your member of Congress directly. Many of the physicians know their members personally or their staff.

I would encourage you to pick up the phone, or email, write, make sure that your voice is heard. Make sure that folks in Washington understand the real impact cuts of this magnitude are going to have on the ability of your office, your practice to continue to care for Medicare patients and express your support for stopping the cuts, and asking for their commitment next year to continue building this momentum towards real and sustainable Medicare payment reform.

**Unger:** And I’ve always been surprised when we’ve had a chance to talk to some of the folks who are working within Congress just how important hearing those stories and getting those letters are from physicians out there. So please take a moment to find the Physicians Grassroots Network and make it very easy for you to communicate your thoughts to folks in Congress.

When you hear the AMA talk about how important unified voices and speaking with a unified voice, it sounds like there cannot be a more important time for that to happen. Todd, Thank you so much for being here today and giving us this important information. That wraps up today's episode. Again, find all those links to Todd mentioned, one, in our description of this episode for the Physicians Grassroots Network or check out the homepage of AMA. You can find all the links to the important work going on in the AMA Recovery Plan for America’s Physicians. Thanks again for joining us today. Please take care.

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