

## **Advocating for Medicare physician payment reform with Todd Askew [Podcast]**

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# AMA UPDATE



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### Advocating for Medicare physician payment reform with Todd Askew

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## Featured topic and speakers

In today's AMA Update, AMA Senior Vice President of Advocacy Todd Askew discusses Medicare payment cuts and how they will impact physicians and patients. AMA Chief Experience Officer Todd Unger hosts.

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## Speaker

- Todd Askew, senior vice president, advocacy, AMA

## Transcript

**Unger:** This is the AMA Update video and podcast. Today's topic is Medicare payment cuts and how they'll impact physicians and patients. I'm joined today by Todd Askew, the AMA senior vice president of advocacy in Washington, D.C.

I'm Todd Unger, AMA's chief experience officer in Chicago. Todd, it's great to have you back. When we last talked in November, the AMA was fighting to avert large Medicare payment cuts. Why don't we just kick this off with a reminder to those in the audience about what physicians were initially facing at the start of this year?

**Askew:** Sure. Thanks, Todd. It's good to be back.

So based on current law, the cuts that were planned for January 1 of this year would have been about 8 and a half percent reduction to Medicare rates across the board and that came from several provisions of law. One was what was known as a PAYGO cut. This is to recoup excess federal spending along a whole range of programs. That accounted for about half, about 4%, of the cut. The second component of that cut was actually a bonus that had been provided two years ago.

And again, renewed at a lower rate last year to offset earlier reductions caused by budget neutrality adjustments that accounted for increases in E&M codes. That was 3%. And so that bonus was set to expire. So that would have accounted for a portion of the reduction.

And then lastly, there are new E&M values that were implemented increases for other E&M services, such as those provided to in the inpatient setting. To offset those increases, there was an additional about a point and a half, a reduction. So you add it all up together and we were facing about a 8 and a half across the board reduction in Medicare payments.

**Unger:** Now, we've heard this from our president, Dr. Jack Resneck. We've heard this from you. This doesn't seem like a great time for these kinds of cuts. What's driving those?

**Askew:** Well, I mean, current law is driving the cuts. But you're right. The timing could not really be worse given, first of all, a lot of practices are still recovering from lower revenue during the heart of the pandemic. And you also have across—inflation across the board, which has greatly increased costs for supplies and labor, especially. So not a very good time—there's never a good time, but this really compounded a number of threats to practices that would have been devastating had these full cuts gone through.

**Unger:** So let's talk about where we came out. I know a lot of people at the end of December are starting to kind of wind down, but the advocacy team at the AMA working very hard with a coalition to help avert these cuts. What was the result like?

**Askew:** Well, not everything we would have hoped. Overall, the 4% reduction from PAYGO was put off, eliminated for this year. Congress will have to reconsider that at some point in the future, but that 4% cut will not go into effect. The bonus, if you will, that was offsetting the previous E&M cuts.

Congress is looking for a way not to continue to do that every year. And so they have phased it down. Two years ago, it was 3.75. This year it was—excuse me. This past year, it was 3%.

Congress phased it down to 2 and a half percent for 2023 and then another phase down for next year to 1.25%. So that is a small reduction there. And then they are not going to deal with offsetting or providing relief from the higher E&M values that caused the other budget neutrality cuts. So that point and a half is going to go into effect. All in all, it's about a 2% reduction in Medicare fees from 2022 to the current year.

**Unger:** So the results of the advocacy campaign from the AMA and about 150 other organizations, as well as a big effort on the physician grassroots side, really did have an impact. And so what you're seeing here is a planned 8 and a half percent cut down to 2%. I mean, you said it before. That's not as bad as it could have been, obviously.

But I know that we've been urging Congress to prevent the cuts entirely. So let's talk about that 2% cut. What's it going to mean for physicians, Todd?

**Askew:** Well, it's going to mean tough decisions for a lot of practices. 2% is the margin on a lot of Medicare business. In fact, some obviously are negative on Medicare. So it's going to have some practices examining whether or not Medicare participation is viable.

Certainly, maybe not this year, but over the long term with continued erosion in Medicare payments compared to inflation, we're down like 22% over the last couple of decades based on the fact that the underlying payment system has no mechanism for regular increases to keep up with the cost of inflation. And so this is just another reminder, a painful one, for everybody that the current Medicare physician payment system is not sustainable. And it's time for Congress to focus on the need for reform.

**Unger:** Absolutely. And you know, that issue around patients and access to care—let's talk a little bit about what the implications are in that realm.

**Askew:** Well, I mean, it's going to be across the board. Practices are going to have to make that tough decision, whether or not they can afford to continue to see Medicare patients. When the cost is higher to see the patient, then the payments for the services, that's not a business model that is sustainable. And that means access problems across the country, across multiple specialties, for multiple types of care. It's just not a sustainable model.

**Unger:** So Todd, we've talked over the past couple of years. And we've seen this kind of pattern where there are these threatened large cuts, huge efforts by AMA and its coalition to prevent the bulk of those from happening. With these kinds of stakes and this kind of pattern, what are the next steps for AMA's advocacy?

**Askew:** Well, I think we know that this model of trying to throw in patches and prevent cuts year after year after year is not sustainable for the way the program is run. We spend all our time trying to prevent a 2% cut, a 4% cut, an 8% cut. And nobody on Capitol Hill or within the administration is focused on fixing the root problem, and that's the payment system itself.

And so that's where we need to really spend our time. We've come together over the last year and a half. More than 120 state National Medical specialty societies have come together with a set of principles on what a new Medicare payment system would look like.

And so our job now is to focus Congress' attention on that—on the need—on the need for reform. We have unity, I think, across medicine in terms of what that looks like. Congress has not done any serious oversight on the current payment system since it was put into place with the passage of MACRA a number of years ago. It's time for Congress to have those hearings and begin the really difficult work of putting in reforms that will make the current system sustainable, that will make sure that it keeps up with the cost of providing care to Medicare patients and that it can support practices, regardless of specialty, regardless of geographic location.

**Unger:** And obviously, the importance of this issue is a huge reason why that Medicare payment reform is the kind of critical pillar for the AMA's Recovery Plan for America's Physicians. You've been hard at work on it all last year. You've seen some of the immediate benefits. And you're seeing other progress. Can you talk about what that progress has looked like?

**Askew:** Well, we do have a lot of, I think, consensus from policymakers that we're talking to that they understand where we're coming from and that the current system is not sustainable. They don't like doing this. They don't like getting the thousands and thousands of phone calls that they got at the end of this year from physicians telling them about the threat to care in their community. They want a more sustainable system.

So but now, it's about getting about the hard work of doing it. We have, I think, the attention. I think, the fact that this cut went through, it will wake up a lot of people that may not have been paying attention to the fact that access is threatened because of these continuing cuts and erosion in the value of Medicare payments. And so it is really now up to policymakers to pick up that challenge and begin working with organized medicine on that new—what that new system is.

**Unger:** Such an incredibly important time for medicine to be standing together. Todd, the tax—the Medicare payment cut, it wasn't the only health-related issue that was covered in what was a very, very large omnibus bill. Are there any other kind of policy changes that physicians need to be aware of right now?

**Askew:** Sure. There are a lot of changes in the bill. And I think as they are implemented over the coming—over the coming months, I think folks will be pleased with some things that are in the legislation. For example, there's a number of changes to improve access to mental health care services and to help physicians better treat opioid use disorder.

Some of those changes can have real positive impacts in that crisis. We also saw the extension of the ability to do telemedicine. I don't think many people are aware that for Medicare, five months after the pandemic is over, the ability to provide telemedicine services to Medicare patients essentially goes away.

So that is now extended to 2014—or sorry 2024—and gives Congress some time to get about the work of making that a permanent part of the program. There were some additional GME slots added, not enough. But we continue to chip away at that by adding—by adding, I think it was just a couple hundred this year. But every slot additional training opportunity is important.

And so there are a lot of things like that in this. It was over 4,000 pages long and literally put together almost at the last minute. So I think folks will be pleased with some things in there. That does not diminish, however, the fact that the challenge of dealing with the 2% Medicare payment cut is going to be insurmountable for some practices and definitely difficult for all practices.

**Unger:** Todd, as we look forward to 2023 and all the work that's on the plate, one of the kind of key themes we know is it's so important for medicine to stand together and for physicians to get involved, what is the best way for them to do that?

**Askew:** Well, I would say obviously stay tuned to AMA's social media channels and be on the lookout for upcoming grassroots alerts from the Physicians Grassroots Network. We are going to not wait. We can't wait until there's another crisis because, likely, we're going to see more cuts next year.

We're going to be engaging very early with policymakers. And that is going to mean physicians need to be engaging with policymakers as well. So I would definitely be on the lookout for communications in the near future about the road ahead.

**Unger:** Thanks so much, Todd, and physicians out there. It's so important to stand together. Your stories, your voice really matters.

Again, I encourage you to look for notifications about the Physicians Grassroots Network. We can make it easy for you, for your voice to be heard. Todd, thanks so much for joining us today. And a huge shout out to your team and the Federation of Medicine for what they've done and continue to do to advocate for physicians and patients.

You can learn a lot more about our efforts on Medicare and our AMA Recovery Plan for America's Physicians on the AMA site at [ama-assn.org/recovery](https://www.ama-assn.org/recovery). We'll be back soon with another AMA Update. You can find all our videos and podcasts at [ama-assn.org/podcasts](https://www.ama-assn.org/podcasts). Thanks for joining us today and please take care.

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