



Protect access for America’s seniors

Enact Medicare physician payment reforms

Stable and adequate Medicare payments are essential to protect seniors’ access to care and support the physicians who treat them. Yet, for decades, the Medicare Physician Fee Schedule (MPFS) has faced growing instability, driven by four key challenges.

Key challenges

- **No inflationary updates**

Since 2001 Medicare physician payments—when adjusted for practice cost inflation—have dropped 33%. Other Medicare providers (e.g., hospitals, Medicare Advantage) receive statutory based inflationary updates, but physicians are excluded.

Congress provided a one-time 2.5% update for 2026 in the One Big Beautiful Bill Act, but this temporary fix disappears in 2027—returning physicians to inadequate 0.25%–0.75% updates that fall far below projected practice cost growth.

- **Flawed budget neutrality rules**

Arbitrary cuts triggered by inaccurate Centers for Medicare & Medicaid Services (CMS) projections permanently reduce payments. For example, the G2211 “Inherent Complexity” code associated with Evaluation and Management services caused a \$1 billion annual loss to the MPFS. Congress has repeatedly spent billions on short-term patches, creating financial uncertainty and instability in the Medicare program.

- **Merit-based Incentive Payment System (MIPS) burdens**

MIPS adds costly, complex reporting with little link to improved outcomes. Penalties disproportionately fall on small, rural and solo practices while large systems are rewarded simply for compliance.

- **Limited alternative payment model (APM) options**

Many specialties and rural physicians lack access to alternative payment models. The continued threat of APM incentive payments expiring automatically and statutory requirements of higher revenue qualification thresholds further slow progress toward value-based care.

By the numbers



decline in physician payment rates since 2001 (after inflation).

**ONE
BILLION**

lost annually due to flawed CMS projections (G2211 code).



of small practices and 50% of solo practitioners penalized under MIPS in 2024.

2.5%

temporary update for 2026—expires in 2027.

Congressional action needed

To stabilize Medicare payments and protect seniors' access to care, Congress must:

1. Provide annual inflationary updates tied to practice costs

Permanently tie Medicare payments to the Medicare Economic Index (MEI) to reflect real practice costs.

2. Fix budget neutrality

Raise the threshold and require CMS to prospectively correct conversion factor cuts when projections associated with newly unbundled codes that have a utilization assumption are wrong.

3. Restructure MIPS

End the "tournament" penalty/bonus model and ensure timely data feedback.

4. Expand APM options

Extend the APM incentive payment, freeze thresholds, and develop more specialty-specific and rural models.

Action request

Urge your senators and representative to support legislation that:

- Provides annual inflationary updates tied to practice costs
- Reforms budget neutrality
- Improves MIPS
- Expands APM options

These reforms are essential to preserving patient access to care by stabilizing physician practices and thereby ensuring America's seniors have timely access to high-quality care.