

AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 240
(A-22)

Introduced by: Carl S. Wehri, MD, Delegate

Subject: Physician Payment Reform & Equity (PPR & E)

Referred to: Reference Committee B

- 1 Whereas, Physicians in independent practice are running small businesses and employ tens of
2 thousands of American workers; and
3
- 4 Whereas, According to the Medicare Economic Index, the cost of running a medical practice
5 increased 39 percent from 2001 to 2021; and
6
- 7 Whereas, The U.S. economy has entered a new inflationary cycle and the cost of retaining staff
8 for a physician's office continues to increase with inflation; and
9
- 10 Whereas, According to data from the Medicare Trustees, Medicare physician pay has increased
11 just 11 percent over the last 20 years while Medicare hospital payments increased by 60% from
12 2001 to 2021; and
13
- 14 Whereas, Adjusted for inflation, Medicare physician pay *declined* 20 percent from 2001 to 2021,
15 while hospital payment far surpassed inflation in this period; and
16
- 17 Whereas, Cost/price pressures have reduced the number of independent practice physicians,
18 and have threatened the viability of independent medical practice; and
19
- 20 Whereas, The loss of the private practice of medicine will have a profound impact on the
21 availability of high-quality, cost-effective medical care for many patients across this nation; and
22
- 23 Whereas, Improved payments for physician work will aid all physicians, both independent and
24 employed, as increased payment for physician services will also improve the value of RVUs that
25 our employed physician colleagues depend on for their compensation; and
26
- 27 Whereas, Our AMA has long had policy on improving payments for physician work, but it has
28 little to show in terms of concrete actions and results to accomplish said policy; therefore be it
29
- 30 RESOLVED, That our American Medical Association define Physician Payment Reform and
31 Equity (PPR & E) as "improvement in physician payment by Medicare and other third-party
32 payers so that physician reimbursement covers current office practice expenses at rates that
33 are fair and equitable, and that said equity include annual updates in payment rates" (Directive
34 to Take Action); and be it further
35
- 36 RESOLVED, That our AMA place PPR & E as the single highest advocacy priority of our
37 organization (Directive to Take Action); and be it further
38
- 39 RESOLVED, That our AMA use every resource at its disposal (including but not limited to
40 elective, legislative, regulatory, and lobbying efforts) to advocate for an immediate increase in

1 Medicare physician payments to help cover the expense of office practice (Directive to Take
2 Action); and be it further

3
4 RESOLVED, That in addition to an immediate increase in Medicare physician payments, our
5 AMA advocate for a statutory annual update in such payments that would equal or exceed the
6 Medicare Economic Index or the Consumer Price Index, whichever is most advantageous in
7 covering the continuously inflating costs of running an office practice (Directive to Take Action);
8 and be it further

9
10 RESOLVED, That our AMA establish a Task Force appointed by the Board of Trustees to
11 outline a specific set of steps that are needed to accomplish the goals of PPR & E and report
12 back to the HOD at the 2022 Interim Meeting regarding that plan (Directive to Take Action); and
13 be it further

14
15 RESOLVED, That our AMA Board of Trustees report back to the HOD at each subsequent
16 meeting regarding their progress on meeting the goals of PPR & E, until PPR & E is
17 accomplished. (Directive to Take Action)

Fiscal Note: Not yet determined

Received: 05/11/22

DRAFT