

September 22, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

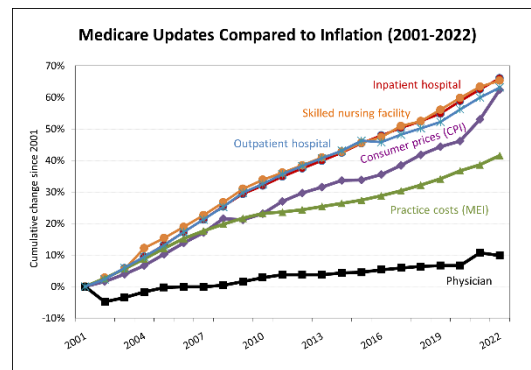
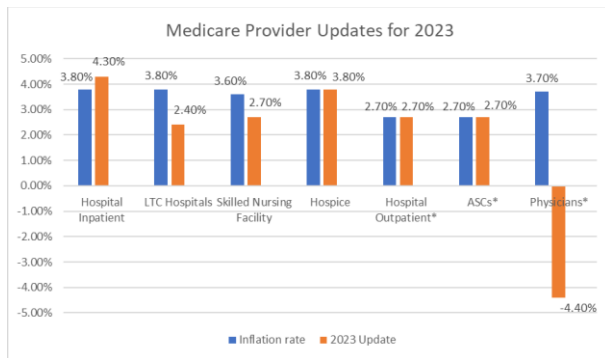
The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Leader McConnell, and Leader McCarthy:

The American Medical Association (AMA) and undersigned national specialty and state medical societies representing the vast majority of physicians practicing in the United States continue to be deeply alarmed about the mounting financial instability of the Medicare physician payment system.

This instability is being driven by a confluence of fiscal uncertainties physician practices face related to statutory payment cuts, perennial lack of inflationary updates, significant administrative barriers, and the cumulative impact of the pandemic. The Medicare payment system remains on an unsustainable path threatening beneficiaries' access to physicians.

According to an AMA analysis of Medicare Trustees data, Medicare physician payment has been reduced 20% adjusted for inflation from 2001–2021. The Medicare physician payment system lacks an adequate annual physician payment update, unlike those that apply to other Medicare provider payments. Physicians are the only Medicare provider not receiving an inflationary update in 2023. In fact, a continuing statutory freeze in annual Medicare physician payments is scheduled to last until 2026, when updates resume at a rate of 0.25% per year indefinitely, well below inflation rates.



The discrepancy between what it costs to run a physician practice and actual payment combined with the administrative and financial burden of participating in Medicare is incentivizing market consolidation. The physician community stands ready to work with Congress to develop long-term solutions to the systemic problems with the Medicare physician payment system and preserve patient access. We appreciate the action late last year that Congress took to delay a “perfect storm” of Medicare payment

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cuts that, if enacted, would have severely impeded patient access to care. Unfortunately, these delayed cuts, and some new ones, will take effect in 2023.

Before the end of the year, we strongly urge Congress to:

- Provide relief from the scheduled -4.42 percent budget neutrality cut in Medicare physician fee schedule payments.
- End the statutory annual freeze and provide a Medicare Economic Index (MEI) update for the coming year.
- Extend the 5 percent Advanced Alternative Payment Model (AAPM) 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 APMs.
- Waive the 4 percent PAYGO sequester triggered by passage of the American Rescue Plan Act.

We appreciate your consideration and look forward to working with you and your colleagues to end the destructive cycle of annual Medicare cuts and to establish a permanent Medicare payment system that improves and preserves patient access to physician care.

Sincerely,

American Medical Association
AMDA - The Society for Post-Acute and Long-Term Care Medicine
American Academy of Allergy, Asthma & Immunology
American Academy of Dermatology Association
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Otolaryngic Allergy
American Academy of Otolaryngology- Head and Neck Surgery
American Academy of Physical Medicine & Rehabilitation
American Academy of Sleep Medicine
American Association of Clinical Urologists
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Neuromuscular & Electrodiagnostic Medicine
American Association of Orthopaedic Surgeons
American College of Allergy, Asthma & Immunology
American College of Cardiology
American College of Chest Physicians
American College of Emergency Physicians
American College of Gastroenterology
American College of Medical Genetics and Genomics
American College of Obstetricians and Gynecologists

American College of Osteopathic Internists
American College of Physicians
American College of Radiation Oncology
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Epilepsy Society
American Gastroenterological Association
American Geriatrics Society
American Medical Group Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Laser Medicine and Surgery
American Society for Metabolic & Bariatric Surgery
American Society for Radiation Oncology
American Society for Surgery of the Hand
American Society of Anesthesiologists
American Society of Cataract and Refractive Surgery
American Society of Echocardiography
American Society of Hematology
American Society of Interventional Pain Physicians
American Society of Neuroradiology
American Society of Nuclear Cardiology
American Society of Retina Specialists
American Society of Transplant Surgeons
American Thoracic Society
American Urogynecologic Society
American Urological Association
American Vein & Lymphatic Society
American Society of Addiction Medicine
Association for Clinical Oncology
College of American Pathologists
Congress of Neurological Surgeons
Endocrine Society
Heart Rhythm Society
International Society for Advancement of Spine Surgery
Medical Group Management Association
National Association of Spine Specialists
Obesity Medicine Association
Outpatient Endovascular & Interventional Society
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Cardiovascular Computed Tomography

Society of Hospital Medicine
Society of Interventional Radiology
Society of Thoracic Surgeons
Spine Intervention Society

Medical Association of the State of Alabama
Alaska State Medical Association
Arizona Medical Association
Arkansas Medical Society
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association Inc
Medical Association of Georgia
Hawaii Medical Association
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association
Nevada State Medical Association
New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
Rhode Island Medical Society

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South Carolina Medical Association
South Dakota State Medical Association
Tennessee Medical Association
Texas Medical Association
Utah Medical Association
Vermont Medical Society
Medical Society of Virginia
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society