

October 16, 2023

The Honorable Cathy McMorris Rodgers
Chair
House Energy and Commerce Committee
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
House Energy and Commerce Committee
Washington, DC 20515

The Honorable Brett Guthrie
Chair, Health Subcommittee
House Energy and Commerce Committee
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member, Health Subcommittee
House Energy and Commerce Committee
Washington, DC 20515

Dear Chairwoman McMorris Rodgers, Chairman Guthrie and Ranking Members Pallone and Eshoo:

On behalf of the undersigned organizations, a coalition of national medical societies, representing a broad range of physicians, health professionals and practice managers who care for Medicare beneficiaries in a community-based, office setting, **we respectfully urge the Committee to begin discussions regarding the inclusion of policies to mitigate forthcoming Medicare reimbursement cuts. Absent action by Congress, physicians again face substantial payment reductions as of January 1, 2024.**

For more than twenty years, Medicare payments to physicians have been under pressure due to budget neutrality methodology and lack of anti-inflation payment policies contained in their fee schedule. While physician services represent a very modest portion of the overall growth in healthcare and the subsection attributed to Medicare spending, they are perennial targets for payment cuts when policymakers seek to control overall and healthcare spending.

For CY 2024, the conversion factor (CF) proposed by the Centers for Medicare & Medicaid Services (CMS) based on current law is \$32.75, a decrease of \$1.14, or 3.34%, from CY 2023. The impact of these overall Medicare PFS reductions is disproportionate across the provider community, with many specialties anticipating even greater reductions due to the third year of the phased in implementation of the CMS clinical labor pricing update, which was finalized in the CY2022 MPFS Final Rule. The impact of these cuts is real for physicians who care for Medicare beneficiaries in a community-based, office setting, and will increasingly result in diminished access to care for Medicare patients seeking a variety of critical services in their neighborhood. Community-based, care in an office setting is a critical part of the nation's healthcare infrastructure, and we are certain CMS' reimbursement policy will have repercussions for the future, impacting access and value. Many of these providers are left asking themselves "Where, how, and when will I be able to care for my patients?" Burnout is real. CMS continues to ask physicians and their staff to do more with less.

To avoid significant disruptions in patient access to care, Congress must act before the end of the year to mitigate scheduled payment reductions. Our organizations urge you to include the following provisions in any viable legislative package before the end of the year:

- **H.R. 3674, the “Providing Relief and Stability for Medicare Patients Act of 2023,”** which would increase the non-facility/office-based practice expense relative value units (NF PE RVUs) negatively impacted by CMS’ clinical labor policy for the next two years; and
- **H.R. 2474, the “Strengthening Medicare for Patients and Providers Act,”** legislation to provide annual inflationary updates, based on the Medicare Economic Index (MEI), for Medicare physician services, similar to updates received by other health care providers.

This instability in the MPFS is being driven by a confluence of fiscal uncertainties physician practices face related to statutory payment cuts, perennial lack of inflationary updates, and growing administrative burdens. 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.

While work must begin in earnest to permanently reform the Medicare physician payment system and break the cycle of annual payment reductions, Congress must also ACT NOW to fortify current physician practices. Absent action by Congress, the likely result will be providers leaving the field (either through retirement or career adjustment), practices being closed or sold, and a significant number of patients losing access to a variety of healthcare service in their communities.

Moving forward, our organizations look forward to partnering with the Committee to identify policies to reform the Medicare physician payment system, and to specifically protect against policy updates that generate disproportionate payment reductions across the provider community.

Sincerely,

Alliance of Wound Care Stakeholders
American Association of Clinical Urologists
American College of Cardiology
American College of Radiation Oncology
American College of Radiology
American College of Surgeons
American Society for Radiation Oncology
American Society of Diagnostic and Interventional Nephrology
American Society of Nephrology
American Urological Association
American Vein & Lymphatic Society

American Venous Forum
Association of Freestanding Radiation Oncology Centers
CardioVascular Coalition
Dialysis Vascular Access Coalition
Free From Fibroids Foundation
Large Urology Group Practice Association
Outpatient Endovascular and Interventional Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Interventional Radiology
The US Oncology Network
United Specialists for Patient Access

Cc: The Honorable Gus Bilirakis
The Honorable Tony Cardenas
The Honorable Greg Murphy, MD
The Honorable Danny Davis