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December 8th, 2021

The Honorable Nancy Pelosi Speaker of the House United States House of Representatives 1236 Longworth House Office Building Washington, DC 20515

The Honorable Kevin McCarthy Minority Leader United States House of Representatives 2468 Rayburn House Office Building Washington, DC 20515 The Honorable Charles Schumer Majority Leader United States Senate 322 Hart Senate Office Building Washington, DC 20510

The Honorable Mitch McConnell Minority Leader United States Senate 317 Russell Senate Office Building Washington, DC 20510

Re: Comments and Recommendations on Importance of Averting 2022 Medicare Cuts

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

On behalf of the more than 168,000 osteopathic physicians (DOs) and osteopathic medical students represented by the American Osteopathic Association (AOA) and undersigned specialty and state osteopathic associations and the patients they serve, we write to express our strong support for the passage of the legislation to eliminate the combined Medicare payments cuts of 9.75% which are set to take effect starting January 1st, 2022. These cuts include the 4% statutory 'Pay-As-You-Go' (PAYGO) requirement, the additional 3.75% budget neutrality payment cut, as well as a 2% sequestration cut.

Our organizations are grateful for Congress' past action to defer Medicare payment cuts in recognition of the economic toll that COVID-19 has had on physician practices. Unfortunately, our nation is still grappling with the pandemic and physicians are contending with its effects.

Even with the effectiveness of the COVID-19 vaccine, physician practices continue to face overwhelming financial challenges and pressures associated with higher overhead costs. This includes, but is not limited to, new investments in infrastructure, increased personal protective equipment (PPE), and other essential medical supplies necessary to safely vaccinate and treat patients, in addition to the ever-growing concern of finding and retaining high quality staff. Allowing these cuts to take effect in 2022, while the pandemic is still straining the healthcare

system would be detrimental to physicians' ability to care for their patients. Financial challenges relating to the pandemic have been especially difficult for small physician practices in rural and underserved communities and reinforces why ensuring stability and predictability for physicians and their patients is so essential. Allowing these cuts to take effect would further strain Medicare beneficiaries access to care in rural and underserved communities and across the country.

To better understand the financial effect of the pandemic on physicians, the AOA conducted a nationwide survey of practicing DOs last year. Of those who participated in the survey, 95% of physicians experienced a decline in practice revenue due to COVID-19, and more than 40% experienced a revenue reduction greater than 50%. The essential takeaway is that physicians across all specialties are struggling to keep their practices open due to increased expenses and reductions in revenue as a direct result of the pandemic. If these Medicare cuts are allowed to take effect, it would dramatically impact osteopathic physicians and the patients whom they serve. DOs make up 11% of all physicians in the United States, however, they comprise 40% of the physicians practicing in medically underserved areas.

We greatly appreciate your leadership and the work that Congress has done to support our nation's recovery from this pandemic, and we urge you to facilitate the timely passage of legislation that will provide much needed stability for physicians and the patients they treat and prevent potential disruptions in access to care. If you have any questions or if our organizations can be a resource, please contact AOA Senior Vice President of Public Policy, David Pugach, at <u>dpugach@osteopathic.org</u> or (202) 349-8753.

Sincerely, American Osteopathic Association Advocates for the American Osteopathic Association American Academy of Osteopathy American College of Osteopathic Family Physicians American College of Osteopathic Internists American College of Osteopathic Neurologists and Psychiatrists American College of Osteopathic Pediatricians American Osteopathic Academy of Orthopedics American Osteopathic Academy of Sports Medicine American Osteopathic College of Anesthesiologists American Osteopathic College of Physical Medicine and Rehabilitation American Osteopathic College of Radiology Arizona Osteopathic Medical Association Arkansas Osteopathic Medical Association Association of Military Osteopathic Physicians & Surgeons Colorado Society of Osteopathic Medicine **Connecticut Osteopathic Medical Society**

Idaho Osteopathic Physicians Association Illinois Osteopathic Medical Society Indiana Osteopathic Association Iowa Osteopathic Medical Association Kentucky Osteopathic Medical Association Louisiana Osteopathic Medical Association Maine Osteopathic Association Maryland Association of Osteopathic Physicians Massachusetts Osteopathic Society Michigan Osteopathic Association Minnesota Osteopathic Medical Society Missouri Association of Osteopathic Physicians and Surgeons New Hampshire Osteopathic Association New Jersey Association of Osteopathic Physicians and Surgeons New York State Osteopathic Medical Society North Carolina Osteopathic Medical Association Ohio Osteopathic Association Oklahoma Osteopathic Association Osteopathic Physicians and Surgeons of Oregon Pennsylvania Osteopathic Medical Association Rhode Island Society of Osteopathic Physicians and Surgeons Tennessee Osteopathic Medical Association Texas Osteopathic Medical Association Wisconsin Association of Osteopathic Physicians and Surgeons