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Stop Physician Payment Cuts and Protect Access to Care for Seniors

ISSUE OVERVIEW: Physicians are again bracing for payment cuts that will take effect on Jan. 1, 2023 without needed intervention by Congress.

The recently released the 2023 Medicare Physician Fee Schedule Proposed Rule jeopardizes the financial stability of physician practices by proposing to cut the Medicare conversion factor — the basic starting point for calculating Medicare payments — by 4.42 percent. These cuts, combined with the pending threat of a 4 percent sequestration — on top of the current 2 percent sequestration — are simply not sustainable.

A fundamental restructuring of the Medicare physician payment system is needed, and ACOI has endorsed a set of [principles](#) that lay the groundwork for reform. Taking inflation in practice costs into account, Medicare physician payment plunged 20 percent from 2001 to 2021.

One of the biggest failings of the current payment system is that other Medicare providers benefit from built-in updates, such as a medical economic index or an inflationary growth factor, that help offset increases in the cost of providing services — but no such offset exists for physicians.

Inadequate payment updates have been felt most acutely by physician practices as they contend with a tight labor market that is driving up wages for non-physician practitioners, as well as medical technologists, and administrative staff.

Payment cuts undermine the long-term sustainability of physician practices and threaten patient access to care. It will take time to secure a massive, badly needed overhaul of the Medicare physician payment system. In the meantime, physicians need fiscal stability.

ACOI supports, the “Supporting Medicare Providers Act of 2022,” (H.R. 8800) introduced by Representatives Ami Bera, MD (D-CA) and Larry Bucshon, MD (R-IN) that would provide an additional 4.42 percent to the conversion factor for 2023.

LEGISLATIVE ASK:

Take action before the end of 2022 by passing legislation that provides at least a 4.42 percent positive Medicare physician payment adjustment for 2023 and waives the 4 percent statutory PAYGO sequestration requirement. In addition to staving off these cuts, a one-year inflationary update is needed.

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