

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

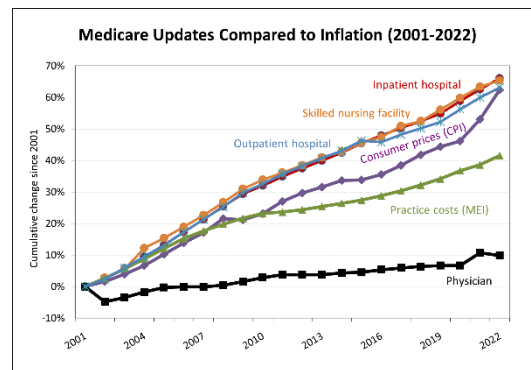
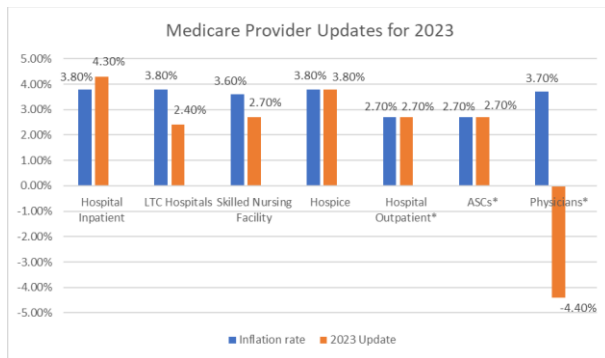
The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

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

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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