



April 7, 2023

The Honorable Raul Ruiz
U.S. House of Representatives
2342 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Ami Bera
U.S. House of Representatives
172 Cannon House Office Building
Washington, D.C. 20515

The Honorable Larry Buschon
U.S. House of Representatives
2313 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Mariannette Miller-Meeks
U.S. House of Representatives
1034 Longworth House Office Building
Washington, D.C. 20515

Dear Representatives Ruiz, Bucshon, Bera, and Miller-Meeks:

On behalf of the American Academy of Family Physicians (AAFP), which represents 129,600 family physicians and medical students across the country, I write to thank you for introducing the Strengthening Medicare for Patients and Providers Act (H.R. 2474), which would provide an urgently needed update to Medicare physician payment rates.

Medicare's current physician payment system is undermining physicians' ability to provide high quality, comprehensive care – particularly in primary care. According to the American Medical Association's analysis of Medicare Trustees report data, Medicare physician payment has been reduced by 20% when adjusted for inflation over the past 20 years. Practically speaking, this means that physicians are struggling to cover the rising costs of employing their staff, leasing space, and purchasing supplies and equipment - let alone make investments to transition into new payment models.

While the elimination of the sustainable growth rate was lauded by the physician community at the time, the Medicare Access and CHIP Reauthorization Act (MACRA) has left the majority of Part B clinicians in a similar state of financial insecurity. Even the nominal positive updates to the conversion factor eventually envisioned by MACRA are well below the inflation in costs to run a medical practice as measured by the Medicare Economic Index (MEI). Many independent physician practices grappling with inadequate payment are forced to sell their practices to hospitals or large health systems in order to keep their doors open. This is happening at the same time that hospitals, skilled nursing facilities, ambulatory surgery centers and other Medicare providers receive annual payment increases to account for rising costs.

The Medicare Payment Advisory Commission (MedPAC) and the Board of Trustees have both raised concerns about rising costs for physician practices and impacts on patient care, with each body recommending that Congress provide payment updates for physicians. Specifically, the Board of Trustees warned that, without a sufficient update or change to the payment system, they "expect access to Medicare-participating physicians to become a significant issue in the long term."¹ Subjecting physicians to passive payment cuts by failing to provide any inflationary update undervalues the foundational and important role that physicians play in helping their patients navigate the broader health care system. Without Congressional

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intervention, statutory budget-neutrality requirements and the lack of annual payment updates to account for inflation will continue to hurt physician practices and erode patients' access to care.

Therefore, the AAFP is pleased to support your legislation, which would address payment uncertainty affecting physicians and protect Medicare beneficiaries' access to physician services in their community. Specifically, it would provide a positive annual update to the conversion factor under the Medicare physician fee schedule that is based on the MEI. This annual update is an important first step toward modernizing Medicare payment and ensuring continued access to care for beneficiaries, and we look forward to partnering together on additional reforms.

The Academy applauds your continued leadership on this critical issue. We look forward to working with you to ensure Congress passes this bill to support physicians and protect patients' access to comprehensive, high quality care. For additional information or questions, please contact Natalie Williams, Manager of Legislative Affairs, at nwilliams2@aafp.org.

Sincerely,

A handwritten signature in black ink that reads "Sterling N. Ransone, Jr. MD FAFAP". The signature is written in a cursive, flowing style.

Sterling N. Ransone, Jr., MD, FAFAP
Board Chair, American Academy of Family Physicians

ⁱ 2023 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds. Accessed April 6, 2023: <https://www.cms.gov/oact/tr/2023>