

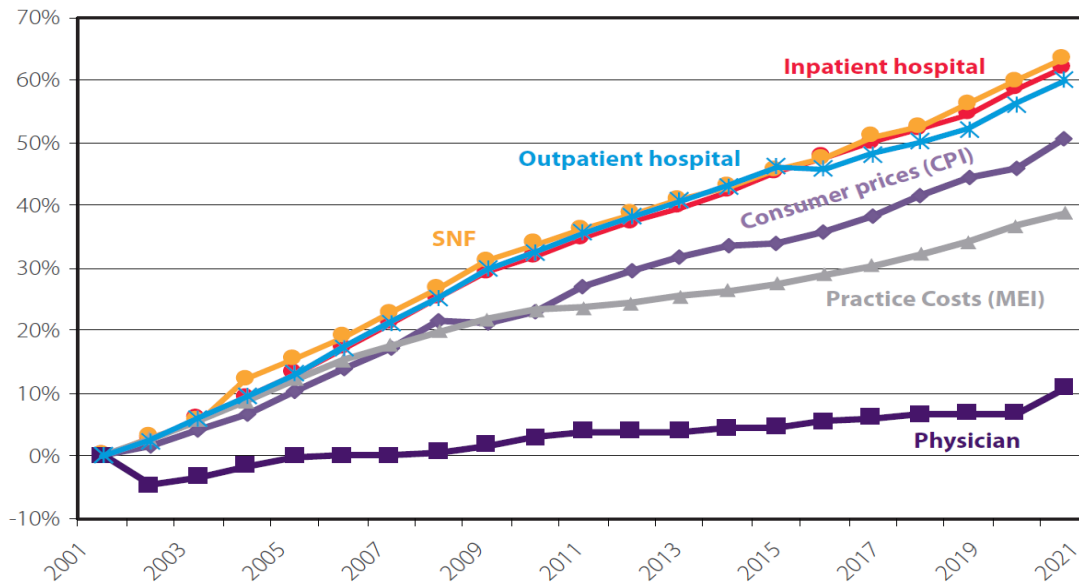
## PRIORITIZE PHYSICIAN PAYMENT REFORM

AAPM&R is concerned about the continued lack of stability in the Medicare Physician Fee Schedule (MPFS). For many years, physicians have faced annual scheduled cuts to the MPFS, making it more and more difficult to maintain financially viable practices and threatening patient access to necessary medical care. Congressional action is critical to reform Medicare physician payment and protect reimbursement for frontline providers.

Congress has acted repeatedly to avert or mitigate payment cuts stemming from “budget neutrality” requirements, cuts that would have been damaging to physician practices and limited access to care for Medicare patients if fully implemented. Congress acted again in December 2022 to avert portions of a scheduled 8.5% cut – but full relief was not possible. Physicians are absorbing a 2% cut to Medicare reimbursement rates this year, on top of a 2% sequester cut for all Medicare providers, with even steeper cuts already set to take effect in 2024.

[AAPM&R urges Congress to work with the physician community to establish reliable, sustainable, and positive updates to the MPFS annually, like all other Medicare providers receive for their payments, to provide stability for physicians and their patients.](#)

### Medicare Reimbursement Compared to Inflation



Source: American Medical Association, 2022 National Advocacy Conference Action Kit

In addition to the annual threat of statutory payment cuts, the MPFS has further been negatively impacted by the lack of annual positive updates to account for inflation. According to an American Medical Association (AMA) analysis of Medicare Trustees data, Medicare physician payment has increased by a total of only 11% over the last two decades. In contrast, hospital



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inpatient and outpatient services, as well as skilled nursing facility payments, have seen 60% increases over the same period. When adjusting for inflation, **physician payment under the MPFS has been reduced 22% between 2001 and 2021.**

A bipartisan coalition of physician Members of Congress recently introduced legislation that would provide an annual Medicare physician payment update tied to inflation, as measured by the MEI. H.R. 2474, the *Strengthening Medicare for Patients and Providers Act*, is being led by Representatives Raul Ruiz, M.D., Larry Bucshon, M.D., Ami Bera, M.D., and Marianne Miller-Meeks, M.D., and has been endorsed by AAPM&R and the broader physician community.

**[AAPM&R urges U.S. Representatives to cosponsor H.R. 2474, the \*Strengthening Medicare for Patients and Providers Act\*, and the Senate to introduce companion legislation.](#)**

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