

Please Stop Clinical Labor Cuts in Upcoming Medicare Legislation

While S. 610, the Protecting Medicare and American Farmers from Sequester Cuts Act (PL 117-71), provided temporary relief from most of the 3.75 percent cut to the conversion factor which was scheduled to take place on January 1, 2022, extensive cuts for office-based specialists under the 2022 Physician Fee Schedule were left unaddressed. These “clinical labor” cuts are the most significant negative impact of the 2022 PFS by far and some specialties under the 2022 PFS are expected to receive reimbursement cuts of more than 20 percent through 2025 as shown in the table below.¹ These cuts threaten to undermine efforts to address health inequity, accelerate health system consolidation, and weaken our ability to deal with the current and future pandemics. It’s also essential to understand doctors *have* been giving nurses regular pay raises (or “clinical labor updates”) since 2002 and do not wait for CMS to update PFS clinical labor data to provide raises. In other words, the real-world impact of the 2022 PFS clinical labor update does *not* mean pay raises for nurses; the primary real-world effect is nurses are being fired as office-based centers close.

| Disease/Service | Health Inequity | Fully-Implemented Cuts |
|---|---|---|
| Venous Ulcer / Endovenous radiofrequency ablation | Black patients present with more advanced venous insufficiency than white patients | Key Code (36475) cut by 23% |
| ERSD / Dialysis Vascular Access | Black and Latino patients start dialysis with a fistula less frequently despite being younger | Key Code (36902) cut by 18% |
| Cancer / Radiation oncology | Black men are 111% more likely to die of prostate cancer; Black women are 39% more likely to die of breast cancer | Key Code (G6015) cut by 15% |
| Peripheral Artery Disease / Revascularization | Black Medicare beneficiaries are 3X more likely to receive an amputation; Latino beneficiaries are 2X as likely | Key Codes (37225-37221) cut by 22% |
| Fibroid / Uterine Fibroid Embolization | Uterine fibroids are diagnosed roughly 3X more frequently in Black women | Key Code (37243) cut by 21% |

While clinical labor cuts already have begun to take place for 2022, we urge Congress to stop remaining clinical labor cuts through 2025. This either can be achieved through halting the remaining clinical labor update through 2025 (Option 1) or through a direct investment in office-based specialists to reverse clinical labor cuts and help reverse the health system consolidation trend (Option 2).

Option 1. H.R. 6048, the Medicare Stability for Patients and Providers Act, introduced by Reps. Rush and Bilirakis, would have stopped the 2022 clinical labor update so Congress could focus on fundamental PFS reform. Similar legislation could stop the remaining three years of the clinical labor update and, thereby, stop the remaining cuts to office-based specialists. **Cost: \$0**

Option 2. Additional funding could be provided within the PFS to allow primary care procedures to realize yet another round of increases through the 2022 PFS rule without offsetting those increases through yet another round of cuts to office-based specialists. **Cost: Approximately \$1 billion from 2023 through 2025.**²

¹ The 2022 PFS Final Rule phases-in these cuts over 4 years. Cuts in this table are estimates as CMS (1) does not disaggregate impacts by site-of-service and (2) did not publish the effects of the cuts over the 4-year period.

² Based on 2021 estimates from Braid-Forbes Research.