

November 14, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

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

Dear Speaker Pelosi, Majority Leader Schumer, Leader McConnell and Leader McCarthy:

On behalf of the undersigned organizations, a coalition of national medical societies, representing a broad range of physicians, health professionals and practice managers who care for Medicare beneficiaries in a community-based, office setting, **we respectfully urge Congress to begin immediate deliberations regarding the inclusion of policies to mitigate forthcoming Medicare reimbursement cuts. Absent action by Congress, significant payment reductions will take effect on January 1, 2023.**

The final Medicare Physician Fee Schedule (MPFS) for calendar year 2023 (CY2023), released on November 1, 2022, by the Centers for Medicare & Medicaid Services (CMS), once again undermines the long-term financial viability of physician practices and seniors' access to critical treatments and procedures, by generating significant cuts in physician reimbursement. **The impact of these cuts is real, and disproportionately impacts a broad range of physicians, health professionals and practice managers who care for Medicare beneficiaries in a community-based, office setting, and will increasingly result in diminished access to care for Medicare patients seeking a variety of critical services. Community-based office setting specialty care is a critical part of the nation's healthcare infrastructure, and we are certain CMS' reimbursement policy will have repercussions for the future, impacting access and value.**

In addition to an approximately 4.5% reduction to the overall Medicare conversion factor, our members' payment reductions are compounded by the second year of CMS' phased in implementation of its clinical labor pricing update, included in the CY2022 MPFS Final Rule. The clinical labor policy recognized the need for updated salary rates for all types of clinical labor (e.g., nurses and technologists). However, due to the budget neutrality constraints in the MPFS, the dramatic rise in direct practice expense costs resulting from the increase in clinical labor rates decreased code level reimbursement rates for those services with high supply and equipment costs when performed in a community-based office setting. These cuts will further exacerbate disparities in access to care and health outcomes among rural and minority populations by constraining - and in some cases preventing - physicians in community-based office

settings from providing critical patient care to underserved populations. Office-based specialties represented within this coalition face the most significant payment reductions in 2023 (up to 7%), due largely in part to the above-mentioned clinical labor policy. **Even deeper cuts of up to 9% are anticipated for certain critical services in community office-based settings.**

To avoid significant disruptions in patient access to care, Congress must act before the end of the year to mitigate the scheduled payment reductions. Our organizations respectfully urge you to include the following provisions in year-end legislation:

- H.R. 8800, the Supporting Medicare Providers Act of 2022. This critical legislation provides a 4.42% positive adjustment to the MPFS conversion factor (CF) for CY2023; and
- **Additional new funding** to the MPFS for the explicit purpose of increasing the non-facility/office-based practice expense relative value units (NF PE RVUs) negatively impacted by CMS' clinical labor update policy.

This instability in the MPFS 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 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. We are concerned the severity of the cuts associated with this year's MPFS, combined with the impacts of high inflation, will result in a breaking point for many physicians. Absent action by Congress, the likely result will be providers leaving the field (either through retirement or career adjustment), practices being closed or sold, and a significant number of patients losing access to a variety of healthcare service in their communities.

Beyond these necessary stabilizing measures, we look forward to collaborating to identify policies to reform the Medicare physician payment system, and to specifically protect against policy updates that generate disproportionate payment reductions across the provider community.

Sincerely,

Alliance of Wound Care Stakeholders
American College of Cardiology
American College of Radiation Oncology
American College of Radiology
American Society for Radiation Oncology
American Society of Diagnostic and Interventional Nephrology
American Society of Nephrology
American Urological Association

American Vascular Associates
American Vein & Lymphatic Society
American Venous Forum
CardioVascular Coalition
Dialysis Vascular Access Coalition
Lifeline Vascular Care
Outpatient Endovascular and Interventional Society
Radiology Business Management Association
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Interventional Radiology
Strategic Radiology
The Society of Thoracic Surgeons
The Vascular Care Group
United Specialists for Patient Access