



tackle spending. For years physicians have struggled with a broken Medicare payment system that does not allow them to keep up with practice expenses and rising inflation. That has made it much harder for physician practices to manage sharp increases in practice expenses or navigate staffing and supply shortages.

The modest statutory updates previously included in MACRA have ended and physicians are in a six-year period with no updates. The result is real reductions to payments when accounting for inflation and budget neutrality requirements. ACP [urges](#) Congress to pass H.R. 2474, the Strengthening Medicare for Patients and Providers Act, to provide an annual Medicare physician payment update tied to inflation, as measured by the Medicare Economic Index (MEI). An MEI update for the PFS would allow physicians to make needed investments in their practices to help ensure that they are able to deliver high quality care to their patients.

### Medicare Physician Fee Schedule Cuts

The current structure of the PFS does not provide sustainable, reliable and consistent payment rates for physicians who see Medicare beneficiaries. Patients and their physicians are left to deal with the uncertainty of cuts to Medicare payment rates each year. These cuts, especially when practice expense costs have markedly increased, further strain our nation's doctors, limiting patient access to care. Each year, physicians routinely face harmful payment cuts making it increasingly difficult to remain in practice and accept Medicare patients.

Unless Congress acts, a continuing statutory freeze on annual physician payments is scheduled to last until 2026, when updates would resume at a rate of .25 percent per year, well below inflation rates. Some physician services in the fee schedule, such as evaluation and management services, have been increased

determining pricing adjustments for services without triggering across-the-board cuts in Medicare physician pay. We believe that this is a practical approach, which would help account for inflation. An alternative bill ACP also supports is H.R. 6475, the Physician Update and Improvements Act. This bill would also raise the threshold for implementing budget neutral payment cuts from \$20 million to \$53 million and would provide an increased update to the threshold every five years afterwards based on the MEI.

#### Pass the Value in Health Care Act to Extend APM Incentive Payments

ACP [supports](#) extending incentive payments for participation in eligible alternative payment models through 2026. Congress should pass the Value in Health Care Act of 2023, H.R. 5013, to extend the five percent bonus for physician participation in advanced APMs. This bipartisan legislation makes several important reforms to ensure that APMs continue to produce high quality care for the Medicare program and its beneficiaries. The [Value in Health Care Act](#) makes a number of important reforms to



Since its inception in 2010, CMMI has tested over 50 advanced APMs aimed at rewarding physicians and other health care clinicians for delivering high-quality and cost-effective care. CMMI, together with Medicare's QPP, are making meaningful improvements to value-based care. ACP has written several [letters](#) to Congress in support of CMMI where we highlighted that any decrease in funding for CMMI would severely affect the ability for CMS to test new models of care and would undermine MACRA's goal to improve care for Medicare beneficiaries. Further, under current law, Congress did intend for CMMI's funding to be available until expended so that it could be deliberate in

