

Dear Speaker Pelosi and Leader McCarthy:

We write to bring your attention to the growing financial uncertainty within the Medicare payment system and to express our support for congressional action to address upcoming payment cuts to physicians, therapists, and health care professionals before the end of the year. The current Medicare payment system does not adequately incentivize high-quality care, and reimbursement has failed to keep up with inflation. We believe broad systemic reforms to the payment system are critical to speed the transition to value-based care. However, **as Congress begins the complex process of identifying and considering potential long-term reforms, we must also create stability by addressing the immediate payment cuts facing health care professionals.** These cuts will strain our health care system and jeopardize patient access to medically necessary services.

Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) with the goal of moving away from a fee-for-service payment model to a system that ensures providers are paid for the work they do to keep patients healthy, not just treat them when they're sick. However, most practices lack access to qualified, patient-centered alternative payment models under MACRA. We cannot achieve true high-quality, coordinated care without examining and addressing the existing barriers in MACRA. In addition, the Medicare Physician Fee Schedule (PFS) has failed to keep up with inflation and larger increases to some providers must be offset by cuts to other providers, even if there's no evidence of overpayment, due to a budget neutrality provision in statute, further contributing to the financial pressure on health care professionals. While we appreciate increased payments in the Calendar Year (CY) 2021 PFS to physicians delivering primary care and complex office-based care, we must ensure that any changes do not result in unintended consequences for specialty care. **We hope to work with you on broader, long-term reform to bring stability to the Medicare payment system, and we ask that you start that work as soon as possible.**

In the interim, health care professionals are facing imminent payment cuts stemming from PFS adjustments as well as the Medicare sequester and the Statutory Pay-As-You-Go (PAYGO) Act. We are grateful for the action taken by you and by Committee leadership in the *Consolidated Appropriations Act, 2021* to mitigate the impact of payment cuts initiated by the CY 2021 PFS. As you know, the *Consolidated Appropriations Act* contained a 3.75 percent payment adjustment for all PFS services in CY 2021 as part of the congressional relief provided for the impending payment cuts. This payment adjustment afforded some short-term stability for health care professionals struggling with the impact of the COVID-19 pandemic.

This critical piece of congressional relief is expiring at the end of the calendar year and adds to impending cuts resulting from the expiring moratorium on the 2 percent Medicare sequester and the 4 percent Medicare payment cut due to PAYGO, which was triggered by

the passage of the American Rescue Plan. The combined impact of the PFS cut, Medicare sequester, and PAYGO means that all health care professionals are likely facing *at least* 9 percent in cuts to Medicare payment, unless Congress takes action. **As Congress considers a framework to ensure appropriate reimbursements and improve the Medicare payment system broadly, we must act before the end of the year to avert the imminent cuts, including extending the 3.75% payment adjustment, and provide continued stability for physicians and other health care professionals.** Otherwise, the profound exhaustion from the pandemic combined with the stress of uncertainty in payments may lead to further retirements, office closures, or reduced staffing, ultimately limiting patient access to care.

We appreciate your consideration and historical support for this issue and look forward to continuing to work with you to strengthen our health care system in the near- and long-term.

Sincerely,

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