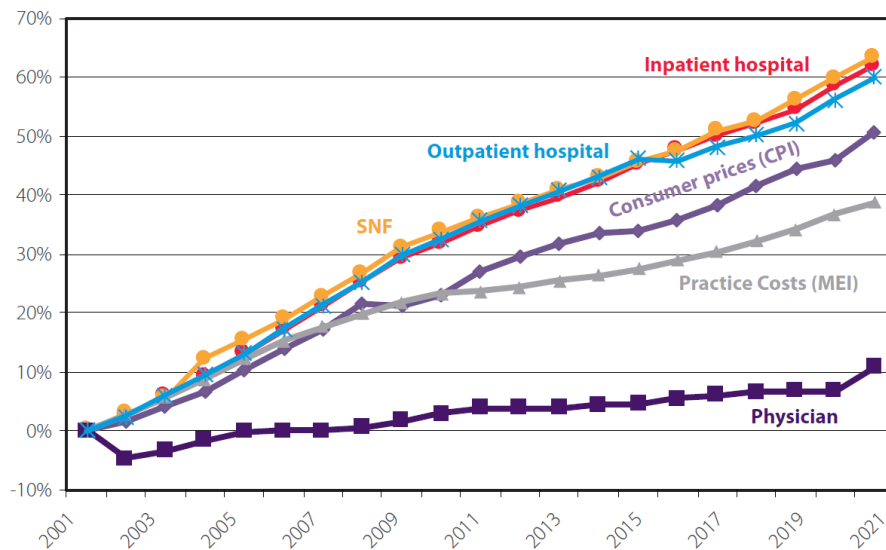


PRIORITIZE PHYSICIAN PAYMENT REFORM

AAPM&R is concerned about the lack of stability in the Medicare Physician Fee Schedule (MPFS). In recent years, Congress has taken end of year action to adjust statutorily required payment cuts which, if implemented, would have been damaging to physician practices and beneficiary access to care. While these end of year actions have helped, the fact that annual action is necessary reflects a need for more permanent solutions. Without Congressional action, payment would have been cut by 11% in 2021 and 10% in 2022. In the coming months, CMS is expected to finalize a conversion factor cut which, coupled with other statutorily required cuts such as PAYGO and sequestration, will result in an almost 9% cut to Medicare provider payment in 2023.



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

For too long, Medicare physicians have endured egregious payment update policies put in place to constrain Medicare spending growth at their expense. In addition to the threat of statutory payment cuts, the MPFS has also been negatively impacted by the lack of positive updates for inflation. According to an American Medical Association analysis of Medicare Trustees data, Medicare physician payment has increased by only 11% over the last two decades. This contrasts with increases seen outside the MPFS, including 60% increases for hospital inpatient and outpatient services as well as skilled nursing facility payments. Further, when adjusting for inflation, physician payment under the MPFS has been reduced 20% between 2001 and 2021. This information is detailed in the chart above. As a result of this financial insecurity, along with the devastating impact of the COVID-19 pandemic and routine administrative burdens, physicians are finding it harder and harder to maintain their practices. It has left too many physicians burnt out and at-risk of leaving the practice of medicine.

[AAPM&R urges Congress to work with the physician community and CMS to establish reliable positive updates to the MPFS annually.](#)

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