



The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Speaker
U.S. House of Representatives
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20510

Dear Senate Majority Leader Schumer, Senate Minority Leader McConnell, Speaker McCarthy, House Minority Leader Jeffries,

We are writing to express our continued concern regarding ongoing Medicare Physician Fee Schedule (PFS) payment cuts to office-based specialist physicians. While the need for overall PFS reform rightfully has received significant attention in recent years, the disproportionate, negative impact on office-based specialty care has not. Office-based specialist physicians provide critical care in rural and underserved locations in the areas of cancer, dialysis access, limb salvage, fibroid embolization, pain management, urology, and a host of other conditions. Certain office-based specialties have been cut by 10-50% since 2006, and this does not even consider policy concerns surrounding the lack of an inflation update for the PFS overall. ¹ The most recent office-based specialty cuts (so-called “clinical labor policy” cuts stemming from the 2022 PFS) currently are being phased in through 2025 and continue to cause terrible damage to the ability of office-based specialists to provide badly needed care.

Ongoing cuts to office-based specialists are key contributors to center closures and health system consolidation. In February 2023, a multi-societal survey distributed across multiple specialties, including vascular surgery, interventional radiology, and interventional cardiology, to predominately non-hospital physicians, found:

- 87% of respondents “believe Medicare cuts have a moderate or greater impact on the practice,”
- 53% of respondents “believe the likelihood of the practice’s success is unlikely,”
- 22% of respondents “are likely to become a hospital employee if cuts continue,”
- 21% of respondents “are likely to sell their practice if cuts continue,”
- 17% of respondents “are likely to retire if cuts continue,” and

¹ Cumulative Impact of Changes in RVUs Since 2006. United Specialists for Patient Access. <https://www.uspaccess.org/the-issue>. Accessed 31 July 2023.

- 8% of respondents “retired, sold, or closed their practice from 2021 to 2022.” ²

H.R. 3674, the Providing Relief and Stability for Medicare Patients Act of 2023, specifically addresses these payment cuts by providing two years of targeted relief for specialty care practices through an increase to the non-facility practice expense relative value units (PE RVUs) for services performed in an office-based setting that require the use of high-tech medical devices or piece of medical equipment. This relief is targeted at those services that were most negatively impacted under the 2022-2025 Medicare Physician Fee Schedule cuts stemming from the update to the clinical labor policy. H.R. 3674 also tees up broader reform by requiring the Government Accountability Office (GAO) to analyze site-of-service migration, consolidation, and increased Medicare beneficiary cost-sharing stemming from office-based specialty cuts over the last 20 years.

Other proposals to provide an inflation update to the PFS “conversion factor” are important but would not address the much larger relative value unit (RVU) cuts to which office-based specialist physicians have historically been, and continue to be, subject. ³ Left unaddressed, these cuts could eliminate the physician office as a viable setting of care for many procedures and reduce treatment options for Medicare beneficiaries. At a minimum, the reductions will lead to a shifting of procedures from the office setting, which is more accessible and clinically appropriate for many beneficiaries, to hospital outpatient departments and ambulatory surgery centers.

We believe that it is essential for Congress to enact H.R. 3674 in the near term and, over the long term, work with stakeholders to address a fundamental asymmetry in the PFS that disproportionately, negatively impacts office-based specialty providers.

Sincerely,

Advanced Medical Technology Association (AdvaMed)

Medical Device Manufacturers Association (MDMA)

Medical Imaging & Technology Alliance (MITA)

² John Blebea, MD, MBA et al. Multi-Societal Survey on the Impact of Medicare Cuts to Physician Reimbursement, Presented at the 2023 Outpatient Endovascular and Interventional Society Annual Meeting

³ Physician payments under the PFS = conversion factor * RVUs