

LAWMAKERS GATHER SUPPORT FOR MEDICARE PAYMENT REVAMP

As a House Energy & Commerce panel prepares to step up congressional efforts to reform the Medicare physician payment system with an oversight hearing Thursday (June 22), two bipartisan sets of lawmakers are separately pushing bills that would tie Medicare Physician Fee Schedule (MPFS) updates to the Medicare Economic Index (MEI) and mitigate cuts tied to CMS' changes to clinical labor policies.

The hearing comes amid a renewed push for physician payment reform, as the American Medical Association (AMA) called for a multi-pronged campaign to overhaul the Medicare payment system at its annual meeting, saying patient access to care and the survival of practices will be jeopardized if the current approach isn't quickly changed.

The 2024 MPFS is currently under review at the White House Office of Management and Budget, and stakeholders anticipate possible additional cuts that AMA has previously warned could be linked to CMS' implementation of inherently complex evaluation and management (E/M) services codes, on top of cuts set for 2024 that lawmakers partly mitigated at the end of last year. Given the costs constraints Congress is working under, it's unlikely that any kind of legislative fix could get done before more physician payment cuts are set to kick in on January 1, 2024.

Rep. Larry Bucshon (R-IN) called in February for hearings as a first step to Medicare physician payment reform before introducing in April legislation, along with Reps. Raul Ruiz, (D-CA), Mariannette Miller-Meeks (R-IA) and Ami Bera (D-CA), that would set an annual MPFS payment update tied to the MEI, which the lawmakers said would help tackle pay uncertainty and a possible physician shortage in Medicare.

Bera and Bucshon are circulating a letter asking their colleagues to sign a draft letter to House leadership urging them to work with lawmakers to stabilize Medicare physician payment. "Revisions of this fee schedule, which is subject to a budget neutrality requirement, have caused certain providers to face significant decreases in their reimbursement. Furthermore, though physician practice costs rise with inflation, the fee schedule is not adjusted accordingly. These factors are adding to physicians' financial instability and encouraging consolidation of providers," the letter to leadership warns.

Meanwhile, Reps. Gus Bilirakis (R-FL), Tony Cárdenas (D-CA), Greg Murphy (R-NC) and Danny Davis (D-IL) recently introduced legislation that would mitigate for two years Medicare clinical labor policies that reduce reimbursement for medical equipment used by office-based specialists. The bill would increase the non-facility practice expense relative value units (PE RVU's) for procedures performed in an office-based setting that use high-tech medical devices and equipment, and thus were most negatively impacted in the 2022 MPFS with the updating of the clinical labor costs in the budget neutral practice expense methodology.