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555 E. Wells Street, Suite 1100 Milwaukee, WI 53202-3823 Phone: 414-918-9825 Email: info@csro.info Website: www.csro.info November 22, 2024

The Honorable Greg Murphy, MD 407 Cannon House Office Building Washington, D.C. 20515

The Honorable Mariannette Miller-Meeks, MD 1034 Longworth House Office Building Washington, D.C. 20515

The Honorable Larry Bucshon, MD 2313 Rayburn House Office Building Washington, D.C. 20515

The Honorable John Joyce, MD 152 Cannon House Office Building Washington, D.C. 20515 The Honorable Jimmy Panetta 304 Cannon House Office Building Washington, D.C. 20515

The Honorable Ami Bera, MD 172 Cannon House Office Building Washington, D.C. 20515

The Honorable Raul Ruiz, MD 2342 Rayburn House Office Building Washington, D.C. 20515

The Honorable Kim Schrier, MD 1110 Longworth House Office Building Washington, D.C. 20515

Re: Support H.R. 10073 – Medicare Patient Access and Practice Stabilization Act of 2024

Representatives Murphy, Panetta, Miller-Meeks, Bera, Bucshon, Ruiz, Joyce, and Schrier:

The Coalition of State Rheumatology Organizations (CSRO) would like to thank you for introducing the Medicare Patient Access and Practice Stabilization Act of 2024 (H.R.10073), which would eliminate the impending 2.8% cut to the Medicare Physician Fee Schedule and provide an inflationary update for calendar year 2025. CSRO serves the practicing rheumatologist and is comprised of over 40 state rheumatology societies nationwide with a mission of advocating for excellence in the field of rheumatology and ensuring access to the highest quality of care for the management of rheumatologic and musculoskeletal disease.

Rheumatologic disease is systemic and incurable, but innovations in medicine over the last several decades have enabled rheumatologists to better manage these conditions. With access to the right treatment early in the disease, patients can generally delay or even avoid damage to their bones and joints, as well as reduce reliance on pain medications and other ancillary services, thus improving their quality of life.

As you know, unlike other healthcare providers, the Medicare Physician Fee Schedule (MPFS) does not receive annual payment updates based on an inflationary index, such as the Consumer Price Index (CPI). This has created an ever-growing disconnect between the cost of providing care to Medicare beneficiaries and the program's reimbursement for that care. According to the American Medical Association, when adjusted for medical practice cost inflation, Medicare physician payments have declined by 29% since 2001.ⁱ To make matters worse, physicians also face cuts from budget neutrality and Medicare sequestration – causing almost double-digit reductions for many physicians.

The Medicare Trusteesⁱⁱ and MedPACⁱⁱⁱ have also expressed concerns over the lack of an inflationary index applied to the MPFS, including potential healthcare consolidation if physicians are forced to sell their practices to larger health systems and private equity groups. Such consolidation would only increase costs within the healthcare system, as hospital payments are 23-41% higher than physician practice payments in Medicare Fee-for-Service.^{iv}

On January 1, 2025, CMS will reduce Medicare reimbursement for physician services by 2.8%. If this cut goes into effect, physicians will face a total 6.4% cut due to the additional CMS estimated increase in practice expenses for 2025 at 3.6%.

We thank you for your leadership on this important issue as providers face significant hardship due to these cuts and, more importantly, patient access to board certified rheumatologists could be jeopardized. While this immediate cut remains the top priority, we also appreciate efforts to advance a long term solution that will: 1) stop recurring Medicare cuts; 2) provide an annual inflation update equal to the Medicare Economic Index (MEI); and 3) update the budget neutrality threshold to allow for greater flexibility in determining physician pricing adjustments for services without leading to harmful payment cuts.

We appreciate your leadership and we stand ready to support your efforts to address this serious problem.

Respectfully,

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Gary Feldman, MD, FACR President Board of Directors

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Madelaine A. Feldman, MD, FACR VP, Advocacy & Government Affairs Board of Directors

ⁱ American Medical Association. "<u>Medicare physician pay has plummeted since 2001. Find out why</u>." June 2024. ⁱⁱ The Boards of Trustees, Federal Hospital Insurance and Federal Supplemental Medical Insurance Trust Funds. "<u>2020 Annual</u> <u>Report</u>." April 2020.

ⁱⁱⁱ MedPAC. "<u>Congressional request on health care provider consolidation</u>." March 2020.

^{iv} Congressional Budget Office. "<u>The Prices that Commercial Health Insurers and Medicare Pay for Hospitals and Physicians</u>' <u>Services</u>." January 2022.