- Ensure Accurate Estimates of Utilization of New Codes in the MPFS
- Remove Beneficiary Cost Sharing for Chronic Care Management Services
- Support Increased Access to Telehealth Services
- Expand the Primary Care Physician Workforce

Strengthen the Medicare Physician Fee Schedule

It is unrealistic to assume that the current MPFS provides the adequate stability and resources necessary for our physicians to deliver high quality chronic care for our patients. Unlike nearly every other segment of the Medicare payment system, the MPFS does not include annual inflationary adjustments. As a result, when accounting for inflation, Medicare physician payments have declined 29 percent from 2001 to 2024. The Medicare Access and CHIP Reauthorization Act (MACRA) must be viewed within the broader context of the physician payment system. While physician services represent a very modest portion of the overall growth in health care costs, they are primary targets for cuts when policymakers seek to tackle spending. For years physicians have struggled with a broken Medicare payment system that does not allow them to keep up with practice expenses and rising inflation. That has made it much harder for physician practices to manage sharp increases in practice expenses or navigate staffing and supply shortages.

The modest statutory updates previously included in MACRA have ended and physicians are in a six-year period with no updates. The result is real reductions to payments when accounting for inflation and budget neutrality requirements. ACP urges Congress to pass H.R. 2474, the Strengthening Medicare for Patients and Providers Act to provide an annual Medicare physician payment update tied to inflation, as measured by the Medicare Economic Index (MEI). An MEI update for the

underestimates in utilizations. We support this approach as it would allow for a more accurate calculation of the Medicare conversion factor based on actual utilization data and claims. Further, it

ACP appreciates Congress' continued GME expansion with the Consolidated Appropriations Act, (CAA), 2023, which added 200 new GME slots, 100 for psychiatry and psychiatric subspecialties and 100 for other physician specialties. We urge Congress to ensure that this progress does not stall by passing the Resident Physician Shortage Reduction Act of 2023, H.R 2389/S. 1302, which would gradually raise the number of Medicare-supported GME positions by 2,000 per year for seven years.

Conclusion

We commend you for working in a bipartisan fashion to identify ways to improve the delivery and value of health care provided to those with chronic conditions.