



One Prince Street
Alexandria, VA 22314-3318
☎ 703.838.0033
✉ 703.548.1890

January 2, 2025

Michael Chernew, Ph.D.
Chairman
Medicare Payment Advisory Commission
425 I Street, NW, Suite 701
Washington, D.C. 20001

Dear Dr. Chernew:

On behalf of AMGA, we appreciate the opportunity to comment on the Medicare Payment Advisory Commission's (MedPAC's) December 12 discussion regarding approaches for updating the Medicare physician fee schedule (PFS).

Founded in 1950, AMGA is a trade association leading the transformation of healthcare in America. Representing multispecialty medical groups and integrated systems of care, we advocate, educate, innovate, and empower our members to deliver the next level of high-performance health. AMGA is the national voice promoting awareness of our members' recognized excellence in the delivery of coordinated, high-quality, high-value care. There are over 177,000 physicians practicing in our member organizations, delivering care to more than one in three Americans. Our members are also leaders in value-based care delivery, focusing on improving patient outcomes while driving down overall healthcare costs.

AMGA appreciates the Commission's acknowledgement that the current system for providing annual physician payment updates under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) needs to be reformed and support for incorporation of the Medicare Economic Index (MEI) to align payments with inflation.

The Commission's main objective seems to be to find a way to balance the need for sustainable healthcare funding with ensuring equitable access. The Commission has looked at multiple measures including beneficiaries' access to care, quality of care, and clinicians' revenues and costs to determine the effect of the decreasing conversion factor on payment adequacy and found generally positive access to care.

AMGA appreciates MedPAC's focus on ensuring Medicare beneficiaries enjoy meaningful access to high quality medical care. However, AMGA is concerned access to care is a lagging indicator of inadequate Medicare reimbursement and does not reflect real-time ramifications of the failure to keep up with practice expenses. We caution against the assumption that the resilience of Medicare beneficiaries' access to care over the last two decades, despite the growing gap between PFS reimbursement and costs, will continue if this gap widens further.

We agree with Dr. Lawrence Casalino's comments that "over time the cumulative effect of annual payment increases that are less than inflation are very likely to affect both beneficiaries' access to care and the quality of care" because "it sends an extremely negative message to physicians, although also over time it will provide less money for organizations in which physicians work to invest in improving quality." The relationship between reimbursement rates and access is not linear. By waiting for survey data to show reduced access to care, patients will have already been harmed and the situation too dire to correct over a short period. AMGA is concerned the approach to evaluating Part B reimbursement under the PFS has increasingly become reactive rather than proactive.

Addressing the issue of linking PFS updates to inflation is imperative to rectify the current imbalance, where inflation is significantly outpacing reimbursement rates, necessitating ad-hoc rate increases from Congress to sustain clinicians' viability.

The MedPAC survey also relies on a "positive access to care" indicator, which measures the share of clinicians who accept Medicare. It is a common misconception that high provider participation is associated with access to care. Physicians and providers are dedicated to serving the Medicare population, but if the disparity between reimbursement and costs continues to expand, they may find it necessary to steer their patient mix towards commercially insured patients or be compelled to refuse new Medicare patients in order to survive. It is not possible to measure the extent of this impact, as the practice may still be participating in Medicare.

Physicians have experienced a 26% reduction in inflation-adjusted Medicare reimbursement from 2001 to 2023. Policymakers should not misconstrue their continued participation as an endorsement of the current system's effectiveness. In fact, AMGA members indicate they will implement unpalatable choices if cuts in Medicare reimbursements continue, such as the elimination of services and staffing layoffs.

We urge MedPAC to consider factors beyond access when evaluating Part B reimbursement. We appreciate MedPAC's continued efforts to develop payment update recommendations that keep up with inflation and get ahead of the looming access to care issues.

We thank you for your consideration of our comments. AMGA would also welcome the opportunity to meet with MedPAC staff to discuss our members' experiences and expertise in Medicare fee-for-service and Medicare Advantage, value-based care, or other issues of interest to the commission.

Should you have questions, please do not hesitate to contact AMGA's Darryl M. Drevna, Senior Director of Regulatory Affairs, at 703.838.0033 ext. 339 or at ddrevna@amga.org.

Sincerely,



Jerry Penso, M.D., M.B.A.
President and Chief Executive Officer, AMGA