

## MEDICARE PHYSICIAN FEE SCHEDULE Act to Prevent Significant Provider Cuts

### REQUEST

The Alliance of Specialty Medicine requests representatives to cosponsor the  *Holding Providers Harmless From Medicare Cuts During COVID-19 Act (H.R. 8702)* and urges Congress to act before the end of the year to prevent significant Medicare pay cuts which will impact many physician specialties effective January 1, 2021.

### BACKGROUND

On January 1, 2021, the Centers for Medicare & Medicaid Services (CMS) will implement changes to the codes for office & outpatient evaluation and management (E/M) services (i.e., “office visits”). Due to the statutory budget neutrality rule in the Medicare physician fee schedule, some specialties in the Alliance face cuts as high as 7%. While our organizations participated in the process and support the improved values for office visits, we are deeply concerned that **the significant budget neutrality cuts could have serious consequences for physicians who are already under financial distress due to the COVID-19 pandemic**. In fact, the anticipated CY 2021 conversion factor will drop to a rate we have not seen since 1993,<sup>1</sup> predating the flawed Sustainable Growth Rate (SGR) formula.

We recognize CMS’ mandate to ensure budget neutrality; however, the steep cuts in Medicare physician payments — particularly in the midst of the current COVID-19 pandemic — will have serious financial consequences for most specialists. Many specialty practices have not resumed full-scale operations and have limited ability to see patients and performance medically necessary services, as the pandemic continues. Key challenges our specialists face include limited COVID-19 testing and supplies, inadequate personal protective equipment (PPE), reduced operating and procedure room time, insufficient infusion capabilities and locations, and most troubling, concerns from vulnerable patients about leaving their homes to receive recommended care and treatment for fear of contracting the novel coronavirus.

The Alliance [wrote](#) congressional leaders to urge action to prevent these cuts and supports the [letter](#) sent by 229 members of Congress to congressional leadership urging a bipartisan solution before the end of the year to address these pending Medicare physician payment cuts. Additional details on the Alliance position on these issues can be found in our [comments](#) to CMS on the CY 2021 Medicare Physician Fee Schedule proposed rule. Members of the Alliance have also [commented](#) on the CY 2020 rule urging CMS to reverse its decision to exclude the updated E/M values in codes with global periods, which is inconsistent with the AMA RUC recommendations<sup>2</sup>, and are seeking congressional relief.

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<sup>1</sup> Under the Medicare Volume Performance Standard (VPS), the MPFS included distinct conversion factors for three categories of services – primary care, surgical and nonsurgical. In 1993, the nonsurgical conversion factor was set at \$31.2490 and the surgical conversion factor was set at \$31.9620. See <https://www.ama-assn.org/system/files/2020-01/cf-history.pdf>.

<sup>2</sup> <https://www.ama-assn.org/system/files/2019-07/may-2019-ruc-recommendations-office-visits.pdf#page=20>

## **LEGISLATIVE RESPONSE**

The following legislation has been introduced with a goal of preventing significant Medicare pay cuts impacting many physician specialties effective January 1, 2021.

- [\*\*H.R. 8702\*\*](#) – The Alliance urges you to cosponsor and advance the ***Holding Providers Harmless From Medicare Cuts During COVID-19 Act*** which was introduced by Reps. Ami Bera (D-CA) and Larry Bucshon (R-IN). H.R. 8702 would ensure that all scheduled increases for 2021 go forward unchanged while holding all physicians harmless from any cuts. Physicians providing a service that would otherwise be getting cut in 2021 will receive an additional relief payment to make up the difference between the 2020 and 2021 payment. The bill would exclude certain E/M codes from receiving an additional payment if their 2021 payment would be higher than 2020.

Please contact [Colleen.Nguyen@mail.house.gov](mailto:Colleen.Nguyen@mail.house.gov) (Rep. Bera) or [Dylan.Moore@mail.house.gov](mailto:Dylan.Moore@mail.house.gov) (Rep. Bucshon) if you have questions or would like to cosponsor H.R. 8702.

- [\*\*H.R. 8505\*\*](#) – The Alliance also thanks Reps. Michael Burgess (R-TX) and Bobby Rush (D-IL) for introducing legislation that would provide a one-year waiver of the budget neutrality requirement for E/M code increases mandated by the Medicare Physician Fee Schedule. Costs would be offset from the unobligated balances of the CARES Act Provider Relief Fund.

Please contact [Elizabeth.Allen@mail.house.gov](mailto:Elizabeth.Allen@mail.house.gov) (Rep. Burgess) or [Lauren.Citron@mail.house.gov](mailto:Lauren.Citron@mail.house.gov) (Rep. Rush) if you have questions or would like to cosponsor H.R. 8505.