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Physician groups lobby Congress for pay increase while seeing need for long-term reform

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A quiet but intense lobbying effort is hitting Congress for a one-time spend of billions of dollars on **Medicare Physician Fee Schedule** clinician pay raises.

It would be a short-term fix to what medical groups and some lawmakers say is a flawed system of paying physicians, but if Congress doesn't act by the end of the year, some specialties will see cuts to their rates.

Physicians are once again taking issue with the PFS' budget neutrality requirement. Pay increases authorized by the Centers for Medicare and Medicaid Services for one group of clinicians can mean decreases for others.



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Congress essentially overrode most of those cuts last year when CMS proposed increases for primary doctors at the expense of other specialties. But the extra \$3 billion in **temporary funding** Congress put in the fee schedule last year expires Dec. 31, putting providers right back in the same place they were before Congress acted, with radiologists, anesthesiologists, surgeons and others facing cuts.

"There is a great deal of support in Congress to stop these cuts," said Christian Shalgian, director of the division of advocacy and health policy at the American College of Surgeons, which is part of a broader coalition of surgical professional associations that organized last year to stop the cuts.

Reps. Ami Bera (D-Calif.) and Larry Bucshon (R-Ind.), who led the effort last year to pass the additional funding, now have signatures from about 150

members — more than one-third of the House — on a letter to Congressional leadership asking them to do it again.

Bera told Modern Healthcare a long-term fix needs to be worked out so Congress doesn't have to throw money at the issue every single year but another funding increase is needed in the interim to give providers stability.

"Medicare budget neutrality pits one group against another," he said, adding that "it's possible" Congress passes additional funding this year.

If it does happen, it will likely be in the end-of-year spending deal, which Congress needs to pass to fund the government. It's usually passed in December.

The additional money from Congress allowed CMS to implement a temporary 3.75% across the board increase in the [conversion factor](#), a calculation that converts a services' value into a payment rate but which physicians say doesn't keep pace with inflation.

Most groups are asking Congress to extend the temporary funding for at least two years, giving the body more time to hold hearings and find a long-term solution.

Some physician groups are also pushing back on another change that would increase rates for clinical labor. That would lead to cuts between 1% and 5% for cardiology, vascular surgery, radiology and others, while office-based specialties with high labor costs like family medicine would benefit.

The American College of Radiology, Rep. Bobby Rush (D-Ill.) and dozens of lawmakers urged the agency in a [letter](#) not to finalize those proposed changes.

The changes are largely supported by the medical community, including the American Medical Association, which says a four-year transition period would be reasonable, while the American Academy of Family Physicians wants it implemented as soon as possible.

The 2022 rule will be finalized by the end of the year.

"We certainly have made Congress aware of the fact we might need their help, depending on what is issued in the rule," said Josh Cooper, senior director of government relations for the American College of Radiology.

Still, there's agreement among physician groups that the problems with the payment schedule needs long-term reform and it's not sustainable to continue asking Congress for more money year after year.

"Medical specialties are tired of basically cannibalizing each other," Cooper said.

The idea of eliminating the physician fee schedule's budget neutrality requirement appears to have the support of dozens of lawmakers.

"These year-over-year 'budget neutral' cuts, being implemented during a pandemic, are causing significant disruption to the healthcare system and are being implemented without regard to patient outcomes, actual PFS provider resource needs or any other rationale policy," Rush and others wrote in a letter to CMS in September.

The letter didn't detail potential long-term solutions but acknowledged that "fundamental reform to the PFS is necessary, adding that the current system disadvantages physician practices and encourages vertical integration with hospitals.

"I do think it's one of the many issues Congress needs to look at, in terms of treating physician payment different than they're treating other services," said Robert Berenson, a fellow at the Urban Institute and former vice chair of the Medicare Payment Advisory Commission.

Physician fee schedule is the only Medicare payment system that has a budget neutrality requirement. Speciality groups have called on Congress to permanently end the requirement, but some say that must come with a meaningful move toward value-based care.

The Medicare Access and Chip Reauthorization Act, which passed in 2015, was an attempt to move the physician fee schedule toward value-based care, but hasn't lived up to the promise, some argue.

"A long-term solution is to move toward more value-based payments," said Stephanie Quinn, senior vice president of advocacy, practice advancement and policy for the American Academy of Family Physicians.

"The challenge is MACRA didn't create enough pathways to transition there. We're stuck in this limbo."

MACRA's Merit-based Incentive Payment System allows participating providers to receive increases or decreases to their Medicare payments based on factors like cost and quality of care.

A [Government Accountability Office report](#) released Monday found that from 2017 to 2019, 90% of providers earned a less than 2% bump to their Medicare payments.

But some stakeholders told [GAO](#) the increases did not cover the full financial or administrative costs of participating in the program.

Stakeholders also questioned whether MIPS actually helps meaningfully improve quality of care, suggesting it rewards providers who best comply with reporting requirements. MedPAC has [called for](#) MIPS to be repealed.

Congress passed MACRA to replace the sustainable growth rate, which reduced physician fees if spending exceeded a target based on overall economic growth but it wasn't tied to value. Physicians would often blow past the target and Congress stepped in annually to stop payment cuts.

Now it appears that MACRA is going the same way, some say.

"The opportunity to earn bonuses have not panned out," said Sharon Merrick, director of payment and practice for the American Society of Anesthesiologists, which supports an extension of the 3.75% bump in the conversion factor. "The wheels are just sort of coming off of absolutely everything, which is part of the reason the situation now is more dire than it's ever been. The transition to value based care, the pressures from the pandemic, and just overall inflation — it's becoming the perfect storm."

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