



Physicians Caring for Texans

June 27, 2022

The Honorable Michael Burgess, MD  
Room 2161 Rayburn HOB  
Washington, DC 20515

Re: Immediate relief from Medicare physician payment cuts needed

Dear Representative Burgess:

On behalf of the Texas Medical Association (TMA) and its more than 56,000 Texas physicians and medical students, I write with concerns on the currently scheduled reductions to Medicare physician payments.

As you know, the bipartisan Protecting Medicare and American Farmers from Sequester Cuts Act temporarily postponed the Medicare sequester payment reductions. TMA appreciates Congress' action to suspend these cuts as it allowed Texas physicians to continue serving their Medicare patients during the COVID-19 public health emergency (PHE).

However, an overall .75% physician pay cut still took effect on Jan. 1, 2022, followed by a temporary, three-month 1% cut on April 1. A third 1% cut is now due on July 1. **This will raise the Medicare physician pay cuts in 2022 from 1.75% to 2.75%, without congressional intervention.**

Given the ongoing PHE and increasingly lean financial margins of physician practices, TMA respectfully requests that Congress promptly intervene to prevent further cuts to Medicare physician payments. Doing so would help ensure Texas physicians who treat Medicare patients have sufficient resources to continue practicing medicine.

In addition to the payment cuts in 2022, TMA is frustrated with the growing instability of the Medicare physician payment system. If Congress does not act soon, even more significant payment reductions will occur in 2023. In total, these projected 7% to 10% Medicare payment cuts will devastate physician practices' financial sustainability and harm access to care for Medicare beneficiaries.

TMA conducted a survey in 2021 in advance of the 2022 Medicare payment cuts. Of great concern are the drastic actions a large percentage of practices are considering in the face of these severe Medicare cuts, including changing their status to Medicare nonparticipating (63%), no longer accepting new Medicare patients (62%), and opting out of Medicare altogether (59%). These actions could harm access to care for Medicare patients.

Physicians and the patients they treat deserve a reliable Medicare physician payment update each year that keeps up with inflation and practice costs. As such, the TMA wholeheartedly endorses the Medicare payment policy principles developed by the American Medical Association and other national and state physician medical societies. These [Characteristics of a Rational Medicare Physician Payment System](#) call on Congress to:

- Ensure financial stability and predictability:
  - Provide financial stability through a baseline positive annual update reflecting inflation in practice costs, and eliminate, replace, or revise budget neutrality requirements to allow for appropriate changes in spending growth.

- Recognize fiscal responsibility. Payment models should invest in and recognize physicians' contributions in providing high-value care and the associated savings and quality improvements across all parts of Medicare and the health care system (e.g., preventing hospitalizations).
- Encourage collaboration, competition, and patient choice – rather than consolidation – through innovation, stability, and reduced complexity. This would eliminate the need for physicians to choose between retirement, selling their practices, or suffering continued burnout.
- Promote value-based care:
  - Reward the value of care provided to patients, rather than administrative activities – such as data entry – that may not be relevant to the service being provided or the patient receiving care.
  - Encourage innovation so practices and systems can be redesigned and continuously refined to provide high-value care, and include historically non-covered services that improve care for all or a specific subset of patients (e.g., those with chronic obstructive pulmonary disease or Crohn's Disease), as well as for higher risk and higher cost populations.
  - Offer a variety of payment models and incentives tailored to the distinct characteristics of different specialties and practice settings. Participation in new models must be voluntary and continue to be incentivized. A fee-for-service payment model must also remain a financially viable option.
  - Provide timely, actionable data. Physicians need timely access to analyses of their claims data, so they can identify and reduce avoidable costs. Though Congress took action to give physicians access to their data, they still do not receive timely, actionable feedback on their resource use and attributed costs in Medicare. Physicians should be held accountable only for the costs they control or direct.
  - Recognize the value of clinical data registries as a tool for improving quality of care. Registries should include outcome measures and prompt feedback on performance.
- Safeguard access to high-quality care:
  - Advance health equity and reduce disparities. Payment model innovations should be risk-adjusted and recognize physicians' contributions to reducing health disparities, addressing social drivers of care, and tackling health inequities. Physicians need support as they care for historically marginalized, higher risk, hard-to-reach, or sicker populations.
  - Support practices where they are by recognizing that high-value care is provided by both small practices and large systems, and in both rural and urban settings.

We appreciate the opportunity to comment. If you have questions, please contact Clayton Stewart, TMA vice president of public affairs and chief lobbyist, at (512) 370-1365 or [clayton.stewart@texmed.org](mailto:clayton.stewart@texmed.org), or Robert Bennett, vice president of medical economics, at (512) 370-1409 or [robert.bennett@texmed.org](mailto:robert.bennett@texmed.org).

Sincerely,



Gary Floyd, MD  
 President  
 Texas Medical Association