



Physicians Caring for Texans

November 3, 2021

The Honorable Jodey Arrington
Room 1107 Longworth HOB
Washington, DC 20515

RE: Medicare Physician Payment Cuts

Dear Representative Arrington;

On behalf of our more than 55,000 Texas physician and medical student members, the Texas Medical Association (TMA) writes to call your attention to a matter of great concern to Texas physicians, Texas senior citizens, and Texans with disabilities.

TMA is the largest state medical society in the nation and is committed to improving the health of all Texans. TMA charters 110 county medical societies. It is the mission of TMA to stand up for Texas physicians by providing distinctive solutions to the challenges they encounter in the care of patients.

A nearly 10% Medicare physician payment cut will take effect Jan. 1, 2022, unless Congress acts before the end of the year. TMA implores you to support congressional efforts to prevent these imminent cuts from occurring. Medicare payments to physicians have failed to keep up with inflation. In fact, when adjusted for inflation, Medicare payments to physicians have declined 22% from 2001 to 2020. Physicians caring for the most vulnerable patients – senior citizens and people with disabilities – are essentially losing practice revenue with each Medicare patient they treat.

Compound that simple arithmetic with the turmoil of the COVID-19 pandemic, and the result has been economic devastation for many physicians. Yet current law requires a nearly 10% pay cut in the new year for physicians treating Medicare patients, in three components:

- A 3.75% reduction to the 2022 Medicare Physician Fee Schedule conversion factor;
- A 2% across-the-board sequestration cut, which Congress has delayed several times before and during the pandemic; and
- An additional 4% sequestration cut resulting from the trillions of dollars in COVID-19 relief funds spent through the American Rescue Plan Act.

If these cuts are allowed to occur, patients may experience a reduced ability to access care as physicians are unable to sustain their practices. Already, the pandemic has forced some physicians to close their doors and has precipitated early retirements: A 2021 Physicians Foundation survey showed that nearly a quarter of Texas doctors are considering retiring within the next year.

A 2021 TMA survey showed that nearly all (93%) of Texas physicians currently accept Medicare patients, yet if the nearly 10% Medicare physician payment cuts aren't stopped, 59% are considering opting out of Medicare altogether. In fact, almost 10% have already stopped accepting new Medicare patients. Almost two-thirds – 62% – said they would consider not accepting new Medicare patients, and

42% said they may have to stop seeing their existing Medicare patients. Due to delayed preventive care and postponed elective surgeries, about half of physicians have seen an income reduction due to the pandemic.

Physicians need support right now – not a pay cut. Especially not when we’re talking about a sizable and ever-growing portion of the aging U.S. population in Medicare – folks who are most susceptible to chronic illnesses and infectious diseases like COVID-19 – who could end up without access to a doctor. Not when the pandemic already has exposed deep health disparities and access-to-care problems for racial and ethnic minorities – and for senior citizens.

We appreciate your consideration of this matter. If you have any questions, please do not hesitate to contact Dan Finch, Vice-President, Advocacy at 512-762-3115 or dan.finch@texmed.org.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Linda Villarreal". The signature is fluid and cursive, with a long horizontal stroke at the end.

E. Linda Villarreal, MD
President, Texas Medical Association