



HEALTH CARE ON THE HILL

Medicare cuts jeopardize patient access

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Congress should address Medicare problems due to pandemic STAT



By Susan R. Bailey, MD

The COVID-19 pandemic strained nearly every sector, but our health care system is under stress like none other. Since day one, physicians have been on the frontlines combatting the virus. Against this backdrop, many physicians and their practices are suffering heavy financial losses because Medicare spending on physician services dropped significantly in 2020. In fact, recent data analyses indicate that Medicare spending on physician services in the first half of 2020 fell by \$9.4 billion, or 19 percent when compared to projected spending in the absence of the pandemic. This drop in spending — and care provided to patients — threatens the very viability of physician practices and the health of people nationwide.

Congress has an opportunity to address these unprecedented challenges, protect physician practices, and, in the process, restore the more than 56,000 jobs lost in physician offices over the past year.

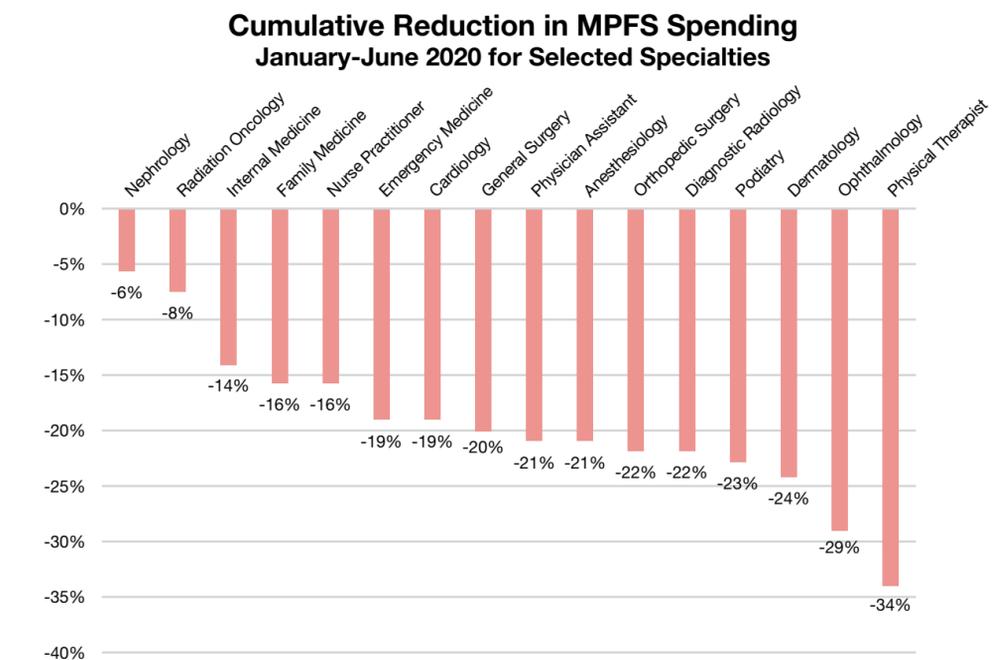
The American Medical Association (AMA), joined by other leading organizations, is encouraging Congress to fully extend the Medicare sequester moratorium through the end of the COVID-19 Public Health Emergency, which is expected to continue through the end of 2021. The moratorium

solved an issue that originated with the Budget Control Act of 2011 that reduced Medicare payments for all providers by 2 percent. At the time, no one envisioned the devastating impact 2020 would have. Further cuts loom now that American Rescue Plan has triggered “PayGo,” requiring an additional 4 percent Medicare sequester on physicians and others who are caring for COVID-19 patients.

I have been in private practice for over 30 years and active in the AMA since medical school when I served as chair of the AMA Medical Student Section. Without reservation, I can say that no other public health crisis in my lifetime has been as devastating as the ongoing COVID-19 pandemic. The threat of a combined 6 percent reduction in Medicare payments adds an additional existential threat to physicians who are exhausted and stretched to their limit treating patients afflicted with this lethal virus.

A three-month reprieve from the 2 percent Medicare sequester cuts came at the end of 2020 following enactment of the Consolidated Appropriations Act, 2021, but this delay is set to expire on April 1. Stopgap measures do not afford physicians throughout the budgetary certainty needed to address financial viability and mitigate losses to ensure access to care for their patients during this crisis and beyond. Vaccines are being administered and infection rates of COVID-19 are thankfully on the decline, but we are not out of the crisis yet. This is not the time to cut Medicare support for those who provide care to our communities.

Additional data show that the COVID-19 crisis has negatively impacted revenue for all physicians. In fact, the drop in Medicare spending on physician services at the start of the pandemic was nearly identical for all major types of services. One year ago, at the end of March 2020, spending for office visit (evaluation and management) services fell nearly 50 percent compared to expected projections. Spending for imaging, procedures and



tests continued to drop until mid-April of 2020, dropping as much as roughly 65-70 percent below expected spending.

Though some specialized medical practices fared better than others, every physician specialty witnessed a decline in Medicare Physician Fee Schedule (MPFS) spending. Cumulative impacts through the end of June 2020, in both dollar and percentage terms, are shown in the chart above. It illustrates the decline in 2020 compared to the projected spending in the absence of the pandemic.

These are not simply dry statistics. Rather, they reflect how the pandemic has affected the decisions patients make about their own care: whether to seek services to stay well and whether to seek medical attention for acute illness. For example, office and outpatient hospital MPFS spending dropped as much as 63 percent and 70 percent, respectively, in the first half of 2020. Ambulatory surgical center spending was

down 90 percent last April as elective procedures like cataract surgery and colonoscopy were delayed. It is unclear what the consequences of the drop-in services received may be for Medicare patients' health in the future, but my colleagues and I fear the negative ramifications of this level of lost care.

The impact of the pandemic on physician practices is even more severe after factoring in that Medicare physician pay does not go nearly as far as it once did. The cost of running a medical practice increased 37 percent between 2001 and 2020, or 1.7 percent per year. Meanwhile, according to Medicare Trustees data, Medicare physician pay has barely changed over the same two decades, increasing seven percent from 2001 to 2020, or 0.3 percent per year on average. Adjusted for inflation in practice costs, Medicare physician pay declined 22 percent or 1.3 percent per year on average since 2001.

This issue matters in homes across

our country and in the physician offices our patients need to remain open and viable. Our commitment to providing medical care reflects our nation's values. As Hippocrates said, “Wherever the art of medicine is loved, there is also a love of humanity.” We urge Congress to act now to prevent the triggering of additional cuts.

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Dr. Susan R. Bailey is the president of the American Medical Association (AMA), the largest and only national association that convenes 190+ state and specialty medical societies and other critical stakeholders. As the physicians' ally in patient care, the AMA delivers on its mission by representing physicians with a unified voice, removing obstacles that interfere with patient care, leading the charge to prevent chronic disease and confront public health crises, and driving the future of medicine to tackle the biggest challenges in health care and training the leaders of tomorrow.

The Washington Times sits down with the sponsor of the Medicare Sequester COVID Moratorium Act

By Tom Howell Jr.
THE WASHINGTON TIMES

Rep. Brad Schneider, Illinois Democrat, and Rep. David McKinley, West Virginia Republican, sponsored H.R. 315 to delay a two percent cut to Medicare — a byproduct of the debt-tackling “sequester” from 2011 — until the end of the COVID-19 pandemic.

The House recently moved to stave off deep cuts, including to Medicare, through the end of the calendar year but the Senate must approve the reprieve and Congressmen say hospitals and doctors need long-time assurance.

Read on for more of our conversation with Rep. Schneider about the ongoing pandemic, bipartisanship, and health providers who face unprecedented challenges:

TWT: I understand H.R. 315 would delay the Medicare sequester cuts through the pandemic. Can you explain to our readers how this Medicare sequester works and what your bill would do about it?

Schneider: The Medicare sequester is a two percent across-the-board cut. Our bill would delay that cut for the duration of the pandemic.

We're seeing unprecedented demand put on our health care system, unprecedented needs for health care. I think across-the-board cuts are the wrong way to approach things in the first place, but to do it in the midst of the pandemic is the worst possible time and adding insult to injury.

TWT: How did this come to your attention and how'd you link up with Rep. David McKinley of West Virginia?



Schneider: I'm on the Ways and Means Health Subcommittee. We're obviously looking at where there are stresses on the system. You go back to last year, we were talking about how our health care workers are our heroes, we're seeing on the news every night the challenges.

[We asked] where are the challenges, what things need to be fixed? This is one of the things we identified, and one that was a pretty straightforward resolution, H.R. 315, which says don't do this [Medicare cut] during a pandemic.

I believe in bipartisanship, I'm committed to it. I work on trying to have good relationships across the aisle — different people, to work with them on different things. So we reached out, and we're working on this together.

TWT: Who is pushing for this back home? Are

hospitals and doctors dialing up the pressure?

Schneider: There's a lot of folks who are concerned about this.

I stay in very close contact with the hospitals in my district in general but especially during the pandemic. Obviously, over the course of any given year, I'm talking to different groups of doctors who come and visit the office sharing their perspectives and concerns. They've all expressed concerns about this. Once again, we are in unprecedented times for our health care system in this country, both as patients and as providers.

TWT: What's the fear here? Are you worried Congress will cut payments because it sees the pandemic situation getting slightly better?

Schneider: Our responsibility [as Members of Congress] covers a whole spectrum of issues, from health care to the economy to infrastructure to immigration, just on any given week in the House.

And you don't want to miss things, and things can slip through the cracks or you can have unintended consequences. I don't think anyone wants to see an across-the-board cut to Medicare, which is why we have such broad bipartisan support on this effort.

TWT: Who might be affected, besides health providers? Seniors?

Schneider: It's good for Medicare beneficiaries. My mom's 82, my dad's 87. I don't think they'll care that I told you their ages, but they're both on Medicare.

They've had their health care needs throughout this. My mom's a breast cancer survivor; they need access to their doctors, they need their doctors to provide them care both routinely and, God forbid,

if there were to be an urgent need.

To be putting pressures on our health care system, already because of the pandemic, and adding an across-the-board cut would put their care at risk and every senior's care at risk in the country.

TWT: What will this cost? Taxpayers are paying for trillions in coronavirus relief, and the sequester was designed to rein in the debt.

Schneider: I don't have a number off the top of my head. Remember, that Medicare is not a drain on the general budget. People are paying into Medicare each year, we need to obviously make sure that Medicare is there not just for this generation but for future generations.

TWT: What are your chances of success?

Schneider: We were able to get a temporary delay [in the Medicare cut] in the relief bill that passed in December, and then [Friday] Congress passed a delay to the end of this calendar year. So we've hit a pause button, if you will.

I pray to God that by the end of this year we're looking at the crisis of COVID in the rearview mirror.

My hope is that, as President Biden touched on, we'll be having backyard gatherings with family and friends on July 4th, that's all good news. And yet we're still seeing new strains of this virus ... spikes in various places and a number of infections. This is far from over.

My hopeful answer is that delaying this through the calendar year gets us past the pandemic, and then my cautious answer is only time will tell. Assuming that this [House measure] moves forward, we've addressed the problem for this year. Then we have to look beyond that.

HEALTH CARE ON THE HILL

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Vulnerable patients will suffer most with congressional inaction

Now is not the time for Congress to pull back resources and funding for our frontline physicians and other health care professionals as we provide needed care to our patients.



By **Jacqueline W. Fincher, MD, MACP**

Over the past year, as the world has faced the COVID-19 pandemic, the United States' health care system has been under incredible strain.

Patients' access to health care services and advice from their physicians has been essential to our country's response to the pandemic.

At the forefront of our fight against COVID-19, frontline physicians, including primary care physicians and internists, have risked their lives and endured considerable stress, fatigue, and shortages in personal protective equipment to help patients combat this virus. While the American College of Physicians (ACP)

is encouraged by the recent downward trend in COVID-19 infections and deaths and the distribution of new vaccines, there are continued obstacles facing physicians in treating and caring for the safety of our patients.

Yet, at a time when sufficient access to health care may be more important than ever, patient access under the Medicare program is being threatened. Deep cuts to Medicare payments for physicians are looming.

Physician practices have already been under significant financial pressure due to COVID-19. Further cuts to payments would force many practices to stop accepting Medicare patients, or even, to simply shut their doors.

Medical practices, like mine in rural Georgia, have incurred significant expense in treating both COVID-19 and non-COVID-19 patients. Practices have had to purchase personal protective equipment to help ensure the safety of both our clinical and administrative staff, often at exorbitant prices. We have had to re-design practice settings and workflows to help ensure social distancing measures are possible for patients and practice staff. We have had

to invest in health information technology and learn new systems in order to improve patient access to telehealth services. This is all while we are experiencing a significant decline in revenue due to restrictions on in-person medical services and patient reluctance to risk potential exposure to COVID-19 in medical settings. Now is not the time for Congress to pull back resources and funding for our frontline physicians and other health care professionals as we provide needed care to our patients.

The arbitrary payment cuts that are looming are not due to a reduction in the needs of Medicare beneficiaries or changes in care that we, as physicians, provide. Since 2013, Medicare spending has been subject to "sequestration," a process that enacts automatic, across-the-board reductions in Medicare payments to physicians and other health care professionals. Without congressional intervention, on April 1 Medicare payments will be cut by two percent across-the-board.

In addition, spending that was included in the recently enacted American Rescue Plan Act of 2021 would trigger further cuts under "pay-as-you-go" rules that require

any new spending in any congressional legislation to be balanced by an equal amount in cuts. The new law is critical in continuing our momentum in bringing down COVID-19 infection rates and deaths. ACP is very supportive of the important ways that the American Rescue Plan helps us to fight the pandemic and improve access to care for our patients. However, while these things are necessary, they require spending on the part of the federal government. This means that the law triggers cuts that would amount to an additional four percent, or approximately \$36 billion, cut to the Medicare program at the end of the year.

Congress needs to take action now to stop these cuts and preserve patient access to care. We are asking Congress to pass legislation that would eliminate the damaging cuts. Absent congressional action, these extreme spending cuts will adversely affect the viability of physician practices and have a deleterious effect on the patients they serve.

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Dr. Jacqueline W. Fincher is president of the American College of Physicians (ACP) and a primary care internal medicine physician in Thomson, Ga. ACP is the largest medical specialty society in the U.S., with 163,000 internal medicine physicians (internists), related subspecialists, and medical student members who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

Our strained health care system requires a legislative fix



By **J. Wayne Meredith, MD, FACS, MCCM**

The American College of Surgeons (ACS) urges Congress to act now to stop deep Medicare cuts that will greatly reduce access to surgical care.

In 2020, due to the COVID-19 pandemic, surgeons across the country stopped performing elective procedures. According to a recent survey, one in three surgical practices are at risk of closing due to the financial strains created by COVID-19. The financial strain is even greater on surgeons in private practice who are trying to meet payroll and keep their doors open. Fewer surgeons means less access to lifesaving care at a time when our country is already



As health professionals, we need every resource available to meet the significant challenges that remain, especially as we work to keep our surgical practices open and available to meet the needs of our fellow Americans.

weathering the greatest public health crisis of our time.

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significant challenges that remain, especially as we work to keep our surgical practices open and available to meet the needs of our fellow Americans.

Under the Centers for Medicare & Medicaid Services (CMS) planned physician payment cuts for surgical services, patients who rely on

Medicare for their medical treatment, especially America's seniors, may encounter issues with accessing care while jeopardizing the financial health of physicians and their practices.

Even as we see the light at the end of the COVID-19 tunnel, the midst of a pandemic is the worst time to cut Medicare reimbursements, impacting patients' access to care.

Today, surgeons across the country are faced with a looming uncertainty whether their Medicare payments will be cut significantly, beginning in January.

Congress must act now to stop the cuts while there is still time to provide stability for these physicians, their practices, and their patients.

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Dr. J. Wayne Meredith is 2020–2021 president of the American College of Surgeons (ACS). He is the Richard T. Myers Professor and Chair of the Department of Surgery, Chief of Clinical Chairs and Chief of Surgery at Wake Forest Baptist Health, and holds a cross-appointment at the Institute for Regenerative Medicine and a joint appointment as Professor of Pediatrics in the Department of Pediatrics. Dr. Meredith was recipient of the ACS Distinguished Service Award recognizing his scientific contributions to cardiovascular physiology during resuscitation, trauma registries, and trauma systems as well as his leadership and dedication.

TO TREAT OUR COUNTRY, WE MUST COME TOGETHER

Good health doesn't begin and end in the exam room. It's in our homes and streets. Our hearts and minds. Our halls of government and businesses, big and small.

It takes patients, physicians, innovators and policymakers. Everyone, working side by side to achieve optimal health for all.

For nearly 175 years, the American Medical Association has brought people across states, industries and aisles to improve health care in our country.

Together, we'll ensure the future is even brighter.

