



November 14, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives

The Honorable Charles Schumer
Majority Leader
U.S. Senate

The Honorable Mitch McConnell
Republican Leader
U.S. Senate

Re: MGMA legislative recommendations to support group practices in 2023

Dear Speaker Pelosi and Leaders Schumer, McConnell, and McCarthy:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) writes to encourage you to address significant Medicare payment cuts and other healthcare policies **before the end of this year**. MGMA is deeply concerned that without congressional action, many group practices will close their doors, impacting access to care across the country.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms. Our diverse membership uniquely situates MGMA to offer its expertise on how these cuts and policies threaten the group practice model and the patients they treat.

MGMA is greatly appreciative of the actions Congress took last year in the Protecting Medicare and American Farmers from Sequester Cuts Act to mitigate the impact of the scheduled Medicare payment cuts. However, as we approach the end of 2022, medical group practices face even more urgent reductions. In an MGMA poll conducted on August 30, 2022, 90% of medical practices reported that the projected reduction to 2023 Medicare payment will reduce access to care.¹ Moreover, 92% of medical groups indicated that Medicare reimbursement in 2022 did not adequately cover the cost of providing care.² Since reimbursement for these services already does not cover the cost of care provided, payment cuts of at least 8.5% will be catastrophic. MGMA urges Congress to act and provide relief by:

¹ MGMA Stat, August 30, 2022. <https://www.mgma.com/data/data-stories/patients-and-practices-face-direconsequences-of-p>

² MGMA Impact of Payment Reductions to Medicare Rates in 2023 Report, September 2022. <https://mgma.com/getmedia/b0716bbf-d21f-4ead-b1cb-9371485e62ff/09-21-2022-Impact-of-Payment-Reductions-to-Medicare-Rates-in-2023-Full-Report.pdf.aspx>

- **Offsetting the 4.47% reduction to the Medicare physician conversion factor (CF)** as introduced in the 2023 Medicare Physician Fee Schedule due to budget neutrality requirements and the expiration of the 3% positive adjustment to the CF appropriated by Congress in 2021.
- **Waiving the 4% statutory Pay-As-You-Go (PAYGO) sequester.** This 4% sequester was implemented to offset other congressional spending unrelated to the delivery of healthcare services. The healthcare community should not be penalized for increasing funding in other sectors.
- **Extending the 5% alternative payment model (APM) incentive payment for six additional years through the 2028 performance year / 2030 payment year.** This legislation is necessary to support the continued transition to value-based care. We cannot abandon previous momentum and strides made to expand participation in APMs.

In addition to these significant projected payment cuts, MGMA urges Congress to act to pass commonsense policies to alleviate significant administrative burdens and improve the timeliness of clinical care delivery by:

- **Passing the Improving Seniors' Timely Access to Care Act of 2021 (H.R. 3173/S. 3018) to make critical changes to prior authorization programs in the Medicare Advantage (MA) program.** Prior authorization reform is long overdue. This legislation would put commonsense guardrails around prior authorization programs in MA, thereby increasing transparency, decreasing unnecessary administrative burden, and preventing disruptions to care.
- **Extending Medicare telehealth waivers for at least two years after the conclusion of the PHE.** The House overwhelmingly passed the Advancing Telehealth Beyond COVID-19 Act of 2021 (H.R. 4040), which extends many telehealth flexibilities including the ability to treat patients in their homes and to render audio-only visits. We urge the Senate to pass this legislation as well.
- **Passing the Saving Access to Laboratory Services Act (H.R. 8188/S. 4449) to implement a sustainable model for reimbursing critical laboratory tests under Medicare.** Without reforming how these tests are reimbursed, Medicare beneficiaries could lose access to them.
- **Appropriating additional funds to continue rewarding high performing clinicians within the Merit-based Incentive Payment System (MIPS).** The MIPS Exceptional Performance Adjustment provides critical funding to ensure that appropriate incentives are in place to support the highest quality care.

As the voice for the country's medical group practices, MGMA remains committed to promoting policies that enhance the ability of our members to provide high-quality, cost-effective care to the millions of patients they serve routinely, and to the emergency services they are called upon to provide during this pandemic. We strongly urge you to prevent these cuts from going into effect before the end of this year. If Congress were to pass legislation to avert these cuts after Dec. 31, 2022, there will be ramifications for claims processing, further complicating matters. Should you have any questions, please contact Claire Ernst at cernst@mgma.org or 202-293-3450.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs