

Medicare physician payment cuts



Halt the current Medicare physician payment cut

Background on the Medicare physician payment cuts



Physicians, including OMSs, began incurring a 2.83 percent cut on Medicare payments on Jan. 1, which comes on top of a 1.69 percent cut in 2024.



The payment reduction stems from a combination of budget neutrality requirements across the Medicare provider program as required by federal statute, and the absence of a required inflationary update for provider payments.



According to an American Medical Association (AMA) analysis of Medicare Trustees data, when adjusted for inflation, Medicare payments to clinicians have declined by 33 percent since 2001.



Physicians also are the **only** Medicare provider group that does not receive an inflationary update.



Congress has the statutory authority to intervene to prevent this cut; however, they failed to do so before adjourning at the end of last year. It is now up to the new Congress to address this issue.

AAOMS's position and ask of Congress



Urge congressional leaders to take up and pass HR 879 as quickly as possible to halt the current Medicare physician payment cut.

- **The Medicare Patient Access and Practice Stabilization Act (HR 879)** is a bipartisan bill introduced by Reps. Greg Murphy, MD (R-N.C.) and Jimmy Panetta (D-Calif.).
- The bill would halt the 2.83 percent payment cut that physicians, including OMSs, began incurring on Jan. 1 as well as provide a 6.62 percent payment update effective April 1 through the end of the year to offset the impact of the existing cut and reflect inflationary pressures.
- If the current 2.83 percent cut is not reversed soon, many Medicare providers will become financially unable to participate in the program, resulting in substantial access to care issues for patients.
- AAOMS further urges Congress to reform the Medicare physician payment system to prevent the annual threat of cuts and provide long-term sustainability to the program for patients and reimbursement stability for providers.
- To learn more, contact the office of Rep. Murphy or Rep. Panetta.