



Advancing High Performance Health

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October 25, 2023

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Johnson, Leader Schumer, Minority Leader Jeffries, and Minority Leader McConnell:

On behalf of AMGA and our members, I appreciate the opportunity to detail critical healthcare issues that Congress needs to address by the end of the year. Even though the Public Health Emergency (PHE) has ended, the overall impact of the COVID-19 pandemic continues to have significant repercussions for the healthcare system. Congress must ensure that the necessary infrastructure is in place so AMGA members can continue to provide the highest quality care to their patients.

Founded in 1950, AMGA is a trade association leading the transformation of healthcare in America. Representing multispecialty medical groups and integrated systems of care, we advocate, educate, innovate, and empower our members to deliver the next level of high-performance health. AMGA is the national voice promoting awareness of our members' recognized excellence in the delivery of coordinated, high-quality, high-value care. Over 177,000 physicians practice in our member organizations, delivering care to more than one in three Americans. Our members are also leaders in value-based care delivery, focusing on improving patient outcomes while driving down overall healthcare costs.

As we approach the end of the first legislative session of the 118th Congress, it is imperative that Congress act to protect multispecialty medical groups and integrated systems of care and the communities we serve by stopping the scheduled 3.4% cuts to Medicare payments.

Stop Potential Cuts to Medicare

In 2024, the Centers for Medicare & Medicare Services (CMS) proposes to decrease Part B reimbursement payments by 3.4%. This potential 3.4% reduction comes after three years of cuts that add up to more than a 6% cut to Part B payment rates. Ten percent cuts to Part B services over four years is simply unsustainable. Physicians have seen a 26% drop in inflation-adjusted Medicare reimbursement from 2001 to 2023.

It is important that lawmakers understand the ramifications of the cumulative effect of continued Medicare Part B cuts will have on healthcare providers and their patients. The healthcare industry is facing a workforce shortage, burnout from the COVID-19 pandemic, record inflation, and a rising Medicare population as the baby boomer generation ages into the program.

Recently, AMGA surveyed our members on what actions they would be forced to take if designated cuts in Medicare reimbursements are implemented in 2024. In addition, we asked our members what actions they took in 2023 in reaction to those Medicare cuts. The survey found that 50% of respondents instituted hiring freezes in 2023, and 65% expect to extend that same policy in 2024. Also, 44% of these provider groups eliminated services to Medicare patients in 2023, and 65% expect to continue to do so in 2024. Twenty-one percent of respondents delayed investments in addressing social determinants of health in 2023, and 57% expect to delay and stop these investments in 2024. Our members are highly dedicated to transforming the healthcare system into delivering more value-based care. Still, with this unpredictable payment system, 51% of these providers groups delayed delivery system improvements/implementing care model changes in 2023, and 61% expect to continue this delay in 2024 if these cuts remain.ⁱ These staggering statistics illustrate that these Medicare cuts have had and will continue to have a real and significant impact on patient access to care and the transition to value.

Given the actual and potential impacts continued Medicare cuts will have on providers and their patients, Congress must act to stop the proposed cuts in 2024. In the long term, we believe Congress should work with stakeholders to develop a Medicare reimbursement model that covers providers' costs and rewards value and performance.

Thank you for supporting policies that ensure providers have the resources to care for patients during this public health crisis and beyond. If we can provide you with more information, please contact me or AMGA's Senior Director of Government Relations Jamie Miller at jmiller@amga.org.

Sincerely,



Jerry Penso, MD, MBA
President and Chief Executive Officer
AMGA

ⁱ [Stop the Cuts Survey Results 2023 FINAL.pdf \(amga.org\)](#)