

December 5, 2024

The Honorable Mike Johnson
Speaker
US House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
US Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
US House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
US Senate
Washington, DC 20510

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

We, the undersigned medical groups and integrated systems of care, write to express our serious concern with the looming 2.8% cut to Medicare Part B reimbursements as well as a 4% across the board cut to Medicare payments due to statutory Pay-As-You-Go (PAYGO) rules. If not addressed, these cuts will have a significant impact on our ability to provide care to our patients and serve our communities.

Medicare Part B Reimbursement Cuts

Over the past four years, we have experienced almost 8% in cumulative cuts to Medicare Part B reimbursements. Combined with steep increases to our labor and supply costs, the proposed 2.8% cut for 2025 will exacerbate an already critical situation. According to a recent [survey of medical groups and integrated systems of care](#), almost 30% of respondents have been forced to furlough or lay off administrative staff this year. Forty-five percent of respondents indicate they will have to furlough or layoff administrative staff in 2025. Forty-two percent of respondents have already eliminated some services to patients in 2024, and over 60% will eliminate patient-facing services in 2025. Investments in addressing social drivers of healthcare were eliminated or delayed by 42% of respondents in 2024; this number will increase to 54% in 2025.

Multi-year rounds of cuts to Medicare Part B reimbursements are no longer sustainable and are resulting in serious consequences for our patients and our communities. We ask Congress to eliminate the 2.8% cut scheduled for 2025.

Medicare PAYGO Cuts

The American Rescue Plan Act (ARP) of 2021 increased spending without offsets to other federal programs. Under statutory PAYGO rules, any increases to the federal deficit automatically trigger an additional series of across-the-board deductions to federal programs. According to the Congressional Budget Office (CBO), ARP triggered PAYGO, creating a 4% cut or at least \$36 billion in cuts to the Medicare program annually which, if enacted, would significantly impact the way we deliver care to our patients. For the past three years, Congress delayed these PAYGO

cuts. However, policymakers must address this issue again by December 31, 2024 to ensure that Medicare reimbursements are not subject to these devastating cuts.

Given the actual and potential impacts continued Medicare cuts will have on physicians and other healthcare professionals and their patients, Congress must act to prevent these PAYGO cuts.

We ask Congress to support our mission of providing outstanding patient care. We stand ready to work with you to reverse these unsustainable cuts.

Sincerely,

ADC Physicians, P.A.
Adventist Health Physicians Network
Advocate Health
Alpine Physician Partners LLC
Austin Regional Clinic
Cedar Valley Medical Specialists
CentraCare
Central Virginia Family Physicians
Christie Clinic
Cleveland Clinic
Clover Health
Coastal Carolina Health Care, PA
Columbia University Irving Medical Center
Concord Hospital Health System
Corewell Health West
Crystal Run Healthcare
District Medical Group
Duly Health and Care
Eventus WholeHealth
Group Health Cooperative of South Central Wisconsin
HealthPartners Care Group
Henry Ford Health
Heritage Medical Associates, P.C.
Holzer Health System
Houston Methodist
Inova Health System
IU Health Physicians
Lexington Clinic
Lexington Medical Center
Mankato Clinic
Marshfield Clinic Health System
Medical Associates Clinics, P.C.
MemorialCare Medical Group
Mosaic Community Health
Mount Carmel Medical Group

North Mississippi Medical Clinics, Inc.
NorthShore University HealthSystem
Northwest Primary Care
Novant Health
Ochsner Health
Ogden Clinic
Oncology Physicians Network
Owensboro Health
Palo Alto Foundation Medical Group
Premier Medical Group
Prevea Health
Prime HealthCare, PC
Privia Medical Group North Texas
Quincy Medical Group
Revere Health
RUSH Medical Group
Saint Alphonsus Medical Group
Salem Health Medical Group
Scripps Coastal Medical Group
Silicon Valley Medical Development
SIMEDHealth, LLC
SoNE Health
St. Claire Health
St. Elizabeth Healthcare
St. Elizabeth Physicians
State of Franklin Healthcare Associates, PLLC
Summa Health
Summit Health
Summit Medical Group
Sutter Health
Swedish Medical Group
Tenet Physician Resources Arizona
Tidewater Physicians Multispecialty Group
Tower Health Medical Group
Trinity Health
UC Davis Health
UVA Health
Valley Medical Center
Vancouver Clinic
Watson Clinic, LLP
Wellstar Health System
West Tennessee Healthcare
Western Montana Clinic
Women's Care Florida