

2025 Issue Brief Medicare Reimbursement Cuts

Issue

Over the past several years, medical groups and integrated systems of care across the country have faced declining Medicare reimbursement rates and increased labor and supply chain costs, making providing quality care increasingly difficult year after year. Congress intervened to temporarily pause some of these cuts in Dec. 2021 and 2022, and Mar. 2024. However, while the passage of this partial relief provided critical financial relief to multispecialty medical groups and integrated systems of care, the threat of more cuts remains. In fact, on Jan. 1, 2025, Medicare providers were subject to a 2.83% Part B reduction due to Congressional inaction on this policy.

Changes to the Medicare Conversion Factor

Over the past five years, AMGA member organizations have experienced almost 11% in cumulative cuts to Medicare Part B reimbursements. Due to Congress' inaction at the end of last year, AMGA members and their ambulatory care teams are currently reimbursed 2.83% less by the Medicare program while still performing the same services. This reduction in reimbursement and steep increases in labor and supply costs have exacerbated an already critical situation.

The recent Medicare cuts are already having a significant and immediate impact on both providers and patients. In a survey conducted by AMGA following the implementation of the conversion factor cuts in Jan. 2025, 40% of respondents reported eliminating services for Medicare patients. Additionally, 25% furloughed or laid off clinical staff, 31% did the same for nonclinical staff, and 13% are no longer accepting new Medicare patients this year.ⁱ Access and staffing issues will only worsen if these cuts are left in place for the entire year.

AMGA strongly supports the bipartisan H.R. 879, the Medicare Patient Access and Practice Stabilization Act of 2025. This legislation has over 100 co-sponsors and seeks to eliminate the 2025 Medicare conversion factor cut and provide an inflationary update. This legislation is a critical step toward ensuring that patients have stable access to sustainably financed care.

AMGA asks Congress to:

- **Approve H.R. 879, the Medicare Patient Access and Practice Stabilization Act of 2025, which addresses cuts to the Medicare conversion factor**

ⁱ AMGA, Actions Taken Due to 2025 Medicare Cuts, 2025, <https://www.amga.org/getmedia/5c84497e-a9c4-4c31-9180-83af66f5793f/2025-medicare-cuts-impact-survey-results.pdf>