

# Congressional Budget will Cut Medicare Reimbursement for Physicians

---

December 29, 2022

The federal government's 2023 spending plan will hurt seniors' access to medical care when physician reimbursement for Medicare drops in 2023.

Meanwhile, physicians will continue receiving incentive payments for value-based care models, but more money would help in the accountable care organization (ACO) movement.

On Dec. 19, the U.S. Senate Committee on Appropriations published the \$1.7 trillion 2023 Omnibus Appropriations Bill with money for issues ranging from consumer inflation at home to the war in Ukraine.

A statement from Committee Chairman Sen. Patrick Leahy, D-Vermont, included some health care and research programs among its highlights:

- ⇒ \$47.5 billion for the National Institutes of Health
- ⇒ \$9.2 billion for the U.S. Centers for Disease Control and Prevention
- ⇒ \$1.5 billion for the Advanced Research Projects Agency for Health (ARPA-H) fight against cancer
- ⇒ \$950 million for the Biomedical Advanced Research and Development Authority to bolster national health security

**Medicare was not included on that highlight list, even though for weeks the Medicare Physician Fee Schedule has been a target for health care organizations calling on Congress to take action to avoid reimbursement cuts for physicians.**

# Congressional Budget will Cut Medicare Reimbursement for Physicians

---

## Cont'd

### **Endangering Access to Care**

Health care organizations were forthright in their evaluations of the bill.

“The Appropriations Act amounts **to a 2% cut for physicians on top of decades of flat payment rates to physicians, [American Medical Association](#)** (AMA) President Jack Resneck Jr. said in a [published statement](#).” “The cut will have consequences for health care access for older Americans, Resneck said.”

“The AMA is extremely disappointed and disheartened that Congress failed to prevent Medicare cuts next year, threatening the financial viability of physician practices and endangering access to care for Medicare beneficiaries,” American Medical Association (AMA) President Jack Resneck Jr. said in a published statement.”

“High inflation compounds the threat to practice viability because physicians are the **[only Medicare providers](#)** without annual inflation-based updates,” Resneck said. “We are deeply worried that many practices will be forced to stop taking new Medicare patients – at a time when access to care is already inadequate. Congress must immediately begin the work of long-overdue Medicare physician payment reform that will lead to the program stability that beneficiaries and physicians need.”

Medical Group Management Association (MGMA) leaders are demoralized by Congress not addressing a 4.5% Medicare reimbursement cut that will affect physicians, from those in small rural practices to those in regional and national health systems.

# Congressional Budget will Cut Medicare Reimbursement for Physicians

---

## Cont'd

Even before the scheduled cut, 92% of medical groups reported that Medicare reimbursement in 2022 already fails to adequately cover the cost of care provided, according to MGMA.

“Should Congress fail to avert the full 4.5% cut in final legislation this week, medical groups have reported they will be forced to make tough business decisions such as limiting the number of Medicare patients served, laying off clinical staff, and closing satellite locations,” Gilberg said.”

“Combined with rising costs of doing business for physicians, the situation is dire in New York, said Parag Mehta, MD, president of the Medical Society of the State of New York. Mehta’s statement proclaimed **“New York is on the Precipice of a Patient Access Disaster,”** and claimed lawmakers are disrespecting physicians.”

## **ACO Incentive Payments**

Congress did include a 3.5% value-based care incentive in the bill – a good start, although more work is needed to reform the nation’s physician payment system, according to the National Association.