



November 12, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

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

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

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

Re: Extension of current moratorium on Medicare sequestration

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) appreciates actions taken by Congress to support healthcare providers in their response to the COVID-19 pandemic. The crucial actions taken by Congress to date have enabled physician practices to remain financially solvent and allowed them to continue treating patients during this unprecedented time. However, with total reported cases surpassing 10 million in the U.S., this crisis is not yet behind us and still threatening the viability of the medical groups serving this nation's patients. **Therefore, we ask Congress to extend the current moratorium on the Medicare sequestration cuts, authorized under the Coronavirus Aid, Relief, and Economic Security (CARES) Act¹, until the end of the COVID-19 public health emergency.**

The CARES Act afforded much-needed relief to medical groups by placing a temporary moratorium on the Medicare sequester. Unfortunately, the Medicare sequestration cuts are scheduled to return Jan. 1, 2021. The sequester, coupled with the almost 11% decrease to the CY 2021 Medicare conversion factor, the added expenses associated with procuring and supplying personal protective equipment (PPE), and the potential postponement or cancellation of elective and non-urgent procedures due to rising cases, puts a significant financial strain on medical group practices that are trying to keep the doors open to their patients. Furthermore, even without the strain of COVID-19 and the lower Medicare conversion factor proposed for next year, two-thirds (67%) of MGMA members report that Medicare reimbursement does not cover the cost of delivering care to beneficiaries.²

¹ CARES Act, Section 3709

² MGMA *Stat poll*, January 2019

With a membership of more than 55,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,500 organizations across the country comprised of all specialties. Our diverse membership situates MGMA in the unique position of assessing how the COVID-19 pandemic has affected group practices of all sizes and specialty compositions. The substantial economic hardships experienced by group practices cannot be overlooked. For our country's medical groups to remain resilient and continue to treat patients in this uncertain time, we ask you to extend the current moratorium on the Medicare sequestration cuts until the end of the COVID-19 public health emergency. As the voice for the country's medical group practices, MGMA remains committed to promoting policies that enhance the ability of our members to provide high-quality, cost-effective care to the millions of patients they serve. If you have any questions, please contact Claire Ernst at cernst@mgma.org or 202-293-3450.

Regards,

/s/

Anders Gilberg, MGA
Senior Vice President, Government Affairs