

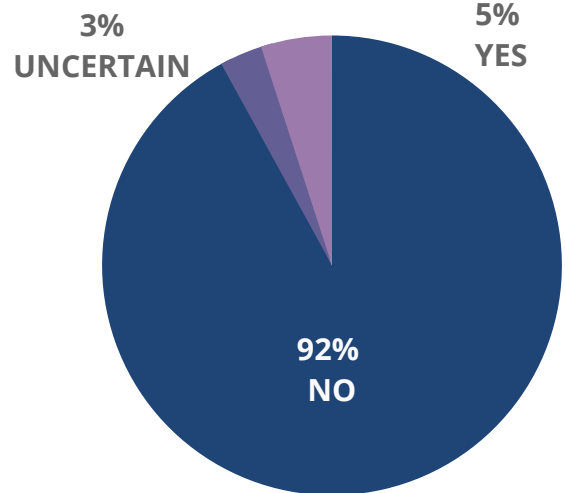


The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) sought to stabilize physician payment rates in the Medicare fee-for-service (FFS) system and incentivize physicians to move into new value-based payment models. Despite its positive intent, the quality component of the program has proved burdensome and costly due to excessive reporting requirements and inadequate alternative payment model (APM) participation options. Under MACRA's revised methodology for annually updating the Medicare physician fee schedule (PFS), physician payments have not kept up with inflation or the cost of running a medical practice.

In addition to inadequate inflation-based payment updates, since 2021, practices have faced significant Medicare reimbursement cuts, requiring Congress to intervene. For 2023, medical groups faced an 8.5% cut due to budget neutrality and PAYGO requirements. Ultimately groups were forced to absorb 2% of that amount, and we expect practices will face additional cuts in 2024.

In August of 2022, MGMA conducted a survey of 517 medical group practices, ranging from small practices to large 2,500+ physician health systems, assessing the impact of potential Medicare payment cuts, and evaluating how practices would respond. The research highlighted the tenuous financial situation faced by medical groups across the country and the significant staffing, cost, and reimbursement challenges MGMA sees continuing through 2023.

DOES MEDICARE REIMBURSEMENT IN 2022 ADEQUATELY COVER THE COST OF CARE PROVIDED?



Source: MGMA's [Impact of Payment Reductions to Medicare Rates in 2023 Report](#) (September 20, 2022)

ADVOCACY PRIORITIES

- ➔ **Reform Medicare Part B to provide annual inflation-based physician payment updates based on the Medicare Economic Index (MEI)**
- ➔ **Provide positive financial incentives to support practices transitioning into value-based care that don't rely on a tournament-style redistribution of Medicare funds that creates winners and losers**
- ➔ **Oppose efforts to use sequestration and PAYGO rules to offset unrelated Congressional spending the detriment of Medicare providers**
- ➔ **Advance policies that incentivize and reward Part B providers to reduce the total cost-of-care in the overall Medicare program**

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 medical groups in which more than 350,000 physicians practice. These groups range from small private practices in rural areas to large regional and national health systems and cover the full spectrum of physician specialties and organizational forms.

MGMA GOVERNMENT AFFAIRS

1717 Pennsylvania Ave., Suite 600, Washington, DC 20006
202.293.3450 | govaff@mgma.com
www.mgma.com/advocacy

 @MGMA | #MGMAAdvocacy