

## Medicare Physician Fee Schedule – Talk Sheet on Additional Looming Cuts

- At the start this year, physicians faced a potential Medicare cut of 9.75% due to a combination of sequestration cuts and the expiration of a 3.75% across-the-board increase to Medicare physician fees that Congress enacted in response to massive budget neutrality cuts triggered by the 2021 Medicare Physician Fee Schedule Final Rule.
- Congress averted 9% of these cuts, for which we are grateful. However, physicians started the year with a .75% Medicare payment cut, as only 3% of the aforementioned 3.75% increase was reauthorized.
- Additionally, physicians will once again face a 9% payment cut between now and 2023<sup>i</sup>.
  - A 1% Medicare sequester will resume on April 1<sup>st</sup>, which will grow to 2% on July 1<sup>st</sup>.
  - The remaining 3% of the budget-neutrality relief granted to physicians will expire at the end of this year.
  - Additionally, physicians face an *additional* 4% sequestration (PAYGO) cut in 2023.
  - In short, there are immediate challenges facing the Medicare Physician Fee Schedule, as well as a need for systemic change.
- Additionally, many physicians now face annual Medicare fee cuts of up to 9% if they fail to meet certain criteria under the so-called Merit-Based Incentive Program created under MACRA.
  - It has been demonstrated that smaller practices continue to perform more poorly under MIPS<sup>ii</sup> despite there being no evidence that the care they provide is of lower quality.
  - Removing the possibility of arbitrary penalties under MIPS would greatly reduce the administrative burden that facing physicians and fight consolidation by removing yet another potential factor that can result in wild income swings for smaller and mid-sized practices.

<sup>i</sup> <https://www.ama-assn.org/practice-management/medicare-medicaid/congress-moves-tackle-medicare-physician-pay-cliff>

<sup>ii</sup> CMS Official Data, published 1-25-22

### Mean and Median National Final Scores in 2019 vs. 2020

The following table outlines the mean and median scores in MIPS among eligible **clinicians and small practices**. Mean is the sum of all final scores divided by count of final scores by unique TIN/NPI; median is the midpoint in distribution of all final scores.

	2019	vs.	2020
<b>Mean score (out of 100 points)</b>	<b>85.63</b>		<b>89.41</b>
Mean score for small practices	69.08		69.50
<b>Median score (out of 100 points)</b>	<b>92.31</b>		<b>96.82</b>
Median score for small practices	77.19		75.29