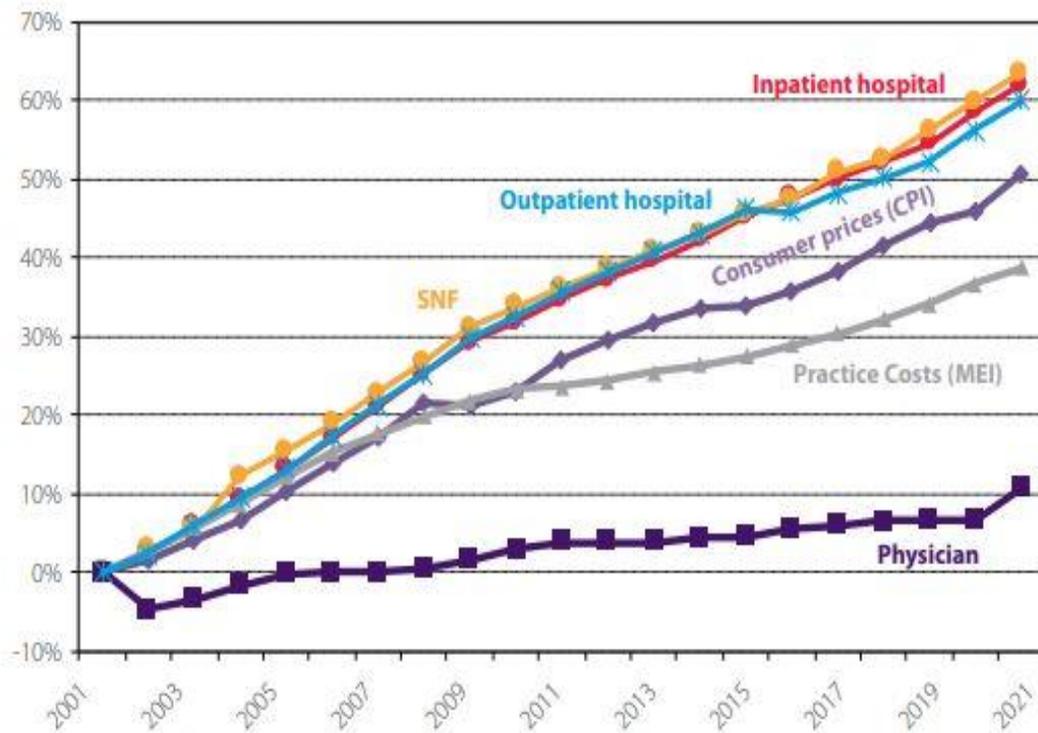


## Medicare Physician Fee Schedule – Talk Sheet on Need for Sustainability

- After adjusting for inflation, the AMA has found that Medicare physician pay *declined* 20% from 2001 to 2021<sup>i</sup>.
- Physician pay under the Medicare Physician Fee Schedule (MPFS) is further set to decline in real value in perpetuity.<sup>ii</sup>
- Meanwhile, Medicare payments to hospitals and skilled nursing facilities have grown meaningfully over time.
- CMS actuaries have acknowledged that perpetually declining Medicare physician pay is a realistic, looming threat to high-quality, accessible care for seniors<sup>iii</sup>.
- While all states in the nation are threatened by the unsustainable nature of the MPFS, Florida is particularly vulnerable given that 53.5% of Florida’s projected population growth is expected to come from citizens 60 or older<sup>iv</sup>.
- The latest available research suggests that Florida may face a physician shortfall of nearly 18,000 full-time physicians by 2035.<sup>v</sup>
- Yet, accelerated physician retirements are a real and significant possibility. In fact, 21.8% of the practicing physicians in our state are working at or past the ordinary age of retirement (65), per the latest official state data<sup>vi</sup>. Additionally, 33.7% of all practicing physicians nationwide are age 60 or older, as noted by the Association of American Medical Colleges (AAMC)<sup>vii</sup>.
- The ever-declining valuation of payments rendered under the MPFS could make the practice of medicine less desirable, since no profession can sustain permanent and perpetual reductions in remuneration.
- This trend could severely limit our nation’s ability to continue recruiting and retaining top talent to perform work in the field of medicine; a field wherein recruiting top talent is of utmost importance.

# Medicare pay updates compared to inflation (2001–2021)



Sources: Federal Register, Medicare Trustees' Reports and U.S. Bureau of Labor Statistics

<sup>i</sup> <https://www.ama-assn.org/system/files/2022-nac-action-kit-payment-reform.pdf>.

<sup>ii</sup> Multiple: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/2015HR2a.pdf> / <https://www.cms.gov/files/document/illustrative-alternative-scenario-2020.pdf>

<sup>iii</sup> [http://edr.state.fl.us/content/presentations/economic/FIEconomicOverview\\_1-3-22.pdf](http://edr.state.fl.us/content/presentations/economic/FIEconomicOverview_1-3-22.pdf)

<sup>iii</sup> Multiple: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/ActuarialStudies/Downloads/2015HR2a.pdf> / <https://www.cms.gov/files/document/illustrative-alternative-scenario-2020.pdf>

<sup>iv</sup> [http://edr.state.fl.us/content/presentations/economic/FIEconomicOverview\\_1-3-22.pdf](http://edr.state.fl.us/content/presentations/economic/FIEconomicOverview_1-3-22.pdf) See page number 11

<sup>v</sup> <http://safetynetsflorida.org/wp-content/uploads/Florida-Physician-Workforce-Analysis.pdf> See the Executive summary and corresponding chart references for a more thorough breakdown.

<sup>vi</sup> <https://www.floridahealth.gov/provider-and-partner-resources/community-health-workers/physician-workforce-development-and-recruitment/2021DOHPhysicianWorkforceAnnualReport-FINALREPORT-10-25-2021.pdf> See page 9 of the report

<sup>vii</sup> [https://store.aamc.org/downloadable/download/sample/sample\\_id/506/](https://store.aamc.org/downloadable/download/sample/sample_id/506/) see page 26 of the report