

Support H.R. 6545 - the Physician Fee Schedule Update and Improvements Act

Issue: Ensure that payment for medical care is sufficient to support and improve patient access to care.

Why Action is Needed: The Medicare physician payment system is broken. It fails to provide consistent, stable, and positive financial updates for physicians to meet their practice expenses. In fact, when adjusted for inflation, over the last twenty years, physician payments have [decreased](#) by thirty percent from 2001-2024. If Congress fails to act to stabilize physician payment in Medicare, it will threaten access to care for seniors.

Unfortunately, one of the structural challenges of the Medicare Physician Fee Schedule (MPFS) is that any increase to physician services must be paid for by corresponding across-the-board reductions to all physician services. This policy, known as budget neutrality, has caused annual cuts in pay to physicians over the past several years. Although Congress has provided some relief to physicians to mitigate the impact of these cuts, physicians should not be faced with reductions in payment each year due to this flawed system.

ACP's Position

We urge Congress to ensure that Medicare provides physicians with positive and stable payment updates consistent with the Medicare Economic Index (MEI) that adequately reflect the increased costs in their practice due to inflation. This is essential to physicians' ability to make needed investments in their practice that help ensure they can deliver high quality care to their patients.

Congress should also reform the process of implementing budget neutral payment cuts so that physicians are not faced with reductions in payment at the beginning of each year. We support efforts to raise the threshold to implement budget neutral cuts to provide more financial stability for physician practices.

Call to Action

Cosponsor and pass H.R. 6545, the Physician Fee Schedule Update and Improvements Act, that would raise the threshold for implementing budget neutral payment cuts from \$20 million to \$53 million and would provide an increased update to the threshold every five years afterwards based on the MEI.