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MedPAC Update

Once again, MedPAC has called for a zero Physician Service Pay Increase for 2023. In short, they feel Medicare payments to physicians do not need to be increased. MedPAC continues to state that patients have good access to care and that there continues to be a growing supply of physicians. MedPAC also notes that private insurance payment rates continue to increase and overall physician compensation is on the rise. MedPAC also points out that the relief funds provided by Congress during the pandemic bridged the decrease in patient volumes physicians experienced during Covid. MedPAC continues by noting that they expect patient volumes will return to pre-pandemic volumes, if not higher. MedPAC concludes that Medicare's payments for physicians is adequate.

Physician groups were quick to respond to this, yet again, poor representation of reality when it comes to physician reimbursements. The Medical Group Management Association (MGMA) has come out stating this is "deeply troubling." They state physicians are experiencing not only the highest inflation in 40 years, but also that the sequestration cuts of 2% have resumed in April 2022. Many practices are still experiencing pandemic-related disruptions as well as staffing shortages and skyrocketing expenses. MGMA also warns that, without a modest annual payment update, physician practices will inevitably be forced to make difficult decisions about their Medicare participation. The American Medical Association (AMA) added, "This recommendation would imperil patient access to high-quality care as the costs to practice medicine continue to rise." AMA continues to recommend that, at minimum, Congress establish a stable, annual Medicare physician payment update that keeps pace with inflation and practice costs. AMA goes on to say that this will allow for innovation and ensure Medicare patients continue to have access to physician practice-based care.

The fact is, physicians have gone several years without a meaningful pay increase, yet this did not factor into MedPAC's analysis.

Should you have any questions, please feel free to contact your APS Practice Manager.