

Two Pieces of Legislation Aim to Increase Physician Reimbursement

In response to the recent 2.83% Medicare reimbursement cut effective January 1, 2025, and the projected 3.6% increase in practice expenses, physicians face an effective 6.43% reduction in Medicare payments. To address this, two bipartisan legislative efforts have been introduced:

1. Medicare Patient Access and Practice Stabilization Act of 2025

- Introduction: Reintroduced on January 31, 2025, by Representatives Greg Murphy, MD (R-NC), Jimmy Panetta (D-CA), Mariannette Miller-Meeks, MD (R-IA), and Kim Schrier, MD (D-WA).
- Provisions:
 - Preventing Further Cuts: Aims to halt the 2.83% reimbursement reduction.
 - Positive Payment Update: Proposes a 2% increase in physician payments, approximately half of the current Medicare Economic Index (MEI) estimate.
- Objective: Stabilize Medicare payments, support private practice physicians, and maintain patient access to care.

2. New Bipartisan Legislation

- Introduction: Following advocacy from the American Medical Association (AMA), a bipartisan group in the U.S. House introduced a bill proposing a 4.7% payment update for 2025.
- Provisions:
 - Eliminating Cuts: Seeks to remove the impending 2.83% payment reduction.
 - Substantial Increase: Offers a 4.7% payment boost, equating to half of the MEI, to better align reimbursements with rising practice costs.
- Objective: Provide a more significant financial uplift to physicians, ensuring the sustainability of medical practices and continued patient access.

Comparison of Legislative Efforts

- Payment Adjustments:
 - *Medicare Patient Access and Practice Stabilization Act*: Proposes a 2% increase.
 - *New Bipartisan Legislation*: Advocates for a 4.7% increase.
- Scope of Impact:
 - *Medicare Patient Access and Practice Stabilization Act*: Focuses on immediate relief by preventing cuts and offering a modest increase.
 - *New Bipartisan Legislation*: Aims for a more substantial adjustment to address both current cuts and broader financial challenges faced by physicians.

Advocacy Efforts by Medical Associations

- College of American Pathologists (CAP):
 - Utilizing the PathNET Action Center, CAP members are actively urging federal lawmakers to reverse the 2025 Medicare reimbursement cuts. CAP has expressed strong opposition to ongoing Medicare cuts and is collaborating with legislators and partners to enact both short and long-term payment reforms. Notably, CAP signed a letter with the AMA,



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pressing Congress to reverse the latest payment cuts and provide a meaningful payment increase by the government funding deadline of March 14, 2025.

- American Medical Association (AMA):
 - The AMA has been a vocal advocate against the 2.83% cut included in the Centers for Medicare & Medicaid Services' (CMS) 2025 Medicare physician payment schedule. Despite urging Congress to prevent the cut, it went into effect on January 1, 2025. In response, the AMA has continued to lobby for legislative measures that not only reverse the cuts but also provide positive payment updates to support physicians amid rising practice costs.

These legislative initiatives and advocacy efforts underscore the medical community's commitment to ensuring sustainable Medicare reimbursements, which are crucial for maintaining patient access to quality healthcare services. APS will continue to monitor these pieces of legislation and keep you abreast of this issue. If you have any questions, please contact your Practice Manager.