

June 14, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
U. S. Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Finance
U. S. Senate
Washington, DC 20510

Dear Chairman Wyden and Ranking Member Crapo:

On behalf of the undersigned organizations representing key stakeholders in the surgical care of Medicare beneficiaries, we write to commend you for the release of the document titled “Bolstering Chronic Care through Physician Payment: Current Challenges and Policy Options in Medicare Part B” and to offer you our initial surgical community response.

The surgeon and anesthesiologist members of our organizations provide lifesaving and life-improving care to millions of Medicare beneficiaries each year. Yet, these highly-trained physicians continue to struggle with a broken Medicare payment system. During the Sustainable Growth Rate (SGR) era and more recently since the inception of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), our members have faced year after year of unsustainable Medicare payment rates. Currently, our members face the unfulfilled promises of the MACRA Quality Payment Program (QPP), a program intended to give physicians the opportunity to receive payment bonuses for demonstrating improved quality of care. As implemented, the program remains unworkable for many in the surgical community. The opportunities to participate in the QPP program are minimal, and, in most cases, physician practices are obligated to meet burdensome and costly administrative requirements to earn negligible bonus payments. Few in our community view MACRA as a success.

Further exacerbating these problems is an existing Medicare payment policy not related to MACRA — the Medicare budget neutrality requirement. As this committee well knows, for the past few years, budget neutrality rules have triggered steep payment cuts for most specialties providing surgical care. While Congress has stepped in to mitigate these cuts, budget neutrality — when coupled with a lack of inflation-based annual payment updates — continues to lead to unsustainable Medicare Physician Fee Schedule cuts. Fundamental reforms are, therefore, desperately needed.

It is within this context that we express our enthusiastic support for your committee’s efforts. As you undertake this work, we offer the following principles for consideration.

- 1. Any reforms to the system must include additional funds to support appropriate and sustainable payments for physician services, including an annual inflation update based on the Medicare Economic Index.** A Congressional commitment to better fund Medicare physician payments is essential to meaningful, sustainable reform. Reallocating an already

insufficiently funded Medicare payment system will not solve our enduring problem.

2. **The punitive budget neutrality system must be reformed.** Mandating deep cuts to certain physician services for no reason other than to increase payments for other physician services is an unfair and outdated policy. Congress must modernize this dangerous mechanism that pits physician against physician and deters team-based care.
3. **All components of Part B spending must reviewed.** Pressures negatively impacting the fee schedule are multi-fold, including the shift of services from inpatient and outpatient settings to physician offices, as well as higher-cost supplies and services. Their impact on physician payments must be given consideration.
4. **Recognition of the value of surgical care.** We commend the committee for their efforts to address primary care payments. Surgical services should also be recognized for their value to Medicare beneficiaries with appropriate and sustainable payment rates. All patients — including our nation's seniors — deserve access to the full range of medical care, so the system must be equitable and support surgical and other specialty care as well as primary care.
5. **Efforts must be redoubled to develop workable voluntary surgical-based value-based payment models.** The lack of meaningful opportunities available through the QPP program must be remedied as part of any new payment system. The Centers for Medicare & Medicaid Services' failure to leverage clinical data registries and other alternative payment models developed by our members is but one of the shortcomings of the QPP, and the committee should take a fresh look at ways to improve these quality improvement tools.
6. **Any changes to the physician payment system should consider ways to reduce administrative burden to focus resources on patient care.** The committee's reform efforts offer a unique opportunity to address the costly and burdensome administrative challenges faced by all physicians. This includes the proliferation of meaningless quality and cost measures that do little to improve quality and decrease costs. Efforts to streamline the Merit-based Incentive Payment System with its siloed approach to measuring value are long overdue.

We believe that incorporating these principles in any Medicare payment reform will ensure that the next era of Medicare physician payment policy supports the work of our surgical community.

Thank you for considering our views and recommendations. We look forward to working with you on this important initiative.

Many of the signatories to this letter will be providing more detailed responses in the coming days.

American College of Surgeons

American Academy of Facial Plastic and Reconstructive Surgery

American Academy of Ophthalmology

American Academy of Otolaryngology-Head and Neck Surgery

American Association of Neurological Surgeons

American Association of Orthopaedic Surgeons

American College of Obstetricians and Gynecologists

American Society for Metabolic and Bariatric Surgery

American Society for Surgery of the Hand

American Society of Anesthesiologists

American Society of Cataract and Refractive Surgery

American Society of Colon & Rectal Surgeons

American Society of Retina Specialists

American Urogynecologic Society

American Urological Association

Congress of Neurological Surgeons

Society for Vascular Surgery

Society of American Gastrointestinal and Endoscopic Surgeons (SAGES)

Society of Gynecologic Oncology

The American Society of Breast Surgeons

The Society of Thoracic Surgeons