



Supporting Patient Access to Care by Establishing Stable Physician Payment Updates

BACKGROUND

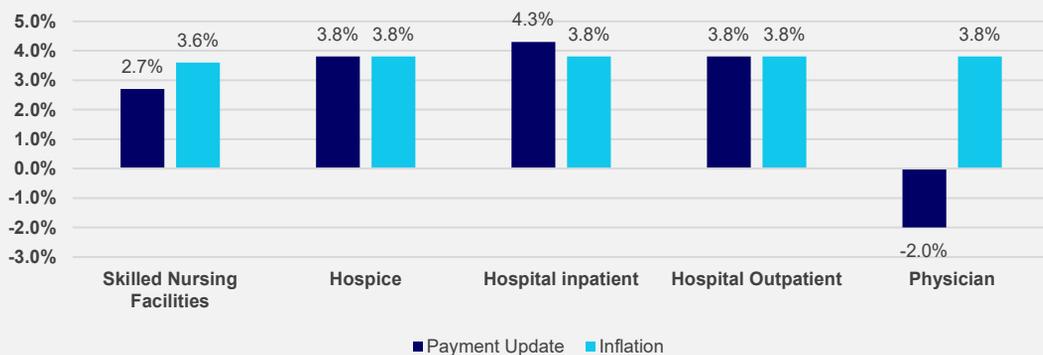
While the cost of practicing medicine has risen dramatically in recent years, Medicare physician payment has not kept pace and even declined.

The Medicare Economic Index (MEI) measures the average annual price change for inputs of physician services. According to the Medicare Payment Advisory Commission's March 2023 report, while the MEI increased by nearly 24% between 2010 and 2022, physician payment only increased 6%. For 2024, the Centers for Medicare and Medicaid Services estimate that MEI will increase by 4.6% while physician payment decreases by nearly 2%. Rising costs associated with staff wages, equipment, infrastructure, and other overhead, compounded by challenges associated with recovering from the pandemic, are hampering physicians' ability to deliver care to patients who need it.

PROBLEM

Osteopathic physicians across the nation, including many in rural and underserved communities, are struggling to keep their practices open due to increasing expenses and insufficient, unstable payment rates. Analysis of Medicare Trustees data found that inflation-adjusted Medicare payments to clinicians have decreased by 26% from 2001-2022, and despite partial mitigation by Congress, physicians received another payment cut of nearly 2% in the 2024 Medicare Physician Fee Schedule.

2023 Update to Medicare Payment by Provider Type, Relative to inflation



SOLUTION

Congress must act to protect physician practices by co-sponsoring H.R. 2474 to help establish stable, annual payment updates to the Medicare Physician Fee Schedule based on the Medicare Economic Index (MEI).