



AMERICAN ACADEMY OF  
OTOLARYNGOLOGY-  
HEAD AND NECK SURGERY

## Fair Medicare Reimbursement for Physicians

For more than 20 years, Medicare payments have been under pressure from the Centers for Medicare & Medicaid Services' (CMS) anti-inflationary payment policies. While physician services represent a modest portion of the overall growth in healthcare spending, they are perennial targets for cuts.

In December 2021, Congress voted to mitigate the majority of a scheduled combined 9.75% cut to physician reimbursement under the Medicare program. These cuts were scheduled to take effect on January 1, 2022, the legislation halting most of these cuts was not signed into law until December 10, 2021. However, physicians are still subject to phased-in cuts over the course of this year, in addition to a another (define percentage) cut scheduled to go into effect at the end of 2022.

These cuts come when the costs of running a medical practice have grown exponentially during a time of uncertain patient volume and revenues, physicians are struggling to keep up. The administrative and financial challenges of participating in Medicare, coupled with increasingly burdensome regulatory requirements and disruptions caused by the COVID-19 pandemic, have placed many physicians at risk of losing their practices.

The AAO-HNS thanks Congress for intervening at the last-minute numerous times in recent years to avert most scheduled cuts to Medicare physician reimbursements. However, the current long-term Medicare payment model for physicians does not account for the effect of inflation in maintaining an up-to-date medical practice.

To ensure access to vital physician and surgical services, Congress must take steps to improve the physician payment system by providing an inflationary payment update, revisiting budget-neutrality requirements and maintaining the 10- and 90- day global surgery payment package — including preventing the Centers for Medicare & Medicaid Services from using arbitrary, flawed or incomplete data to value global surgery codes.

### Congressional Ask

Congress must take action to stop upcoming scheduled cuts to Medicare physician reimbursement rates.

Additionally, in order to protect Medicare patients' access to care and provide stability for physicians and their practices, the AAO-HNS strongly encourages Congress to create a long-term, sustainable, and fair solution for Medicare physician reimbursement rates.