

BIPARTISAN BILL PROPOSES 4.73% PHYSICIAN PAYMENT HIKE TO OFFSET MEDICARE CUT

A bipartisan group of lawmakers introduced legislation on October 29 that would give physicians a 4.73% payment increase in 2025, fully offsetting the 2.8% Medicare reimbursement cut finalized this week, much to the relief of lobbyists and stakeholders who are urging lawmakers to quickly pass the bill in the upcoming lame-duck session.

The bill — introduced by Republican Reps. Greg Murphy (NC), Mariannette Miller-Meeks (IA), Larry Bucshon (IN) and John Joyce (PA), along with Democratic Reps. Jimmy Panetta (CA), Ami Bera (CA), Raul Ruiz (CA), and Kim Schrier (WA) — includes a partial inflation adjustment to help offset rising medical practice costs — equal to 50% of the Medicare Economic Index (MEI), which tracks inflation based on practice costs and wages, for one year in 2025.

Stakeholders and lobbyists have been raising concerns for years that annual payment updates aren't keeping pace with these expenses. According to CMS, the MEI is expected to rise by 3.6% this year.

As inflation rises and reimbursements decline, many doctors are feeling immense pressure to retire, close their practices or stop accepting new Medicare patients, according to Murphy. "America's physicians are at a breaking point and access to high-quality, affordable care is at risk for millions of Medicare patients," Murphy said in a statement released after the bill's introduction. "This bipartisan legislation would stop yet another year of reimbursement cuts, give them a slight inflationary adjustment, and protect Medicare for physicians and patients alike."

This bill follows growing pressure from 233 House lawmakers, who urged congressional leadership weeks ago to include protections for physicians against CMS' proposed 2.8% Medicare payment cut in the upcoming lame-duck package. They also want the lame duck bill to include Rep. Ruiz's Strengthening Medicare for Patients and Providers Act (HR 2474) — which proposes tying annual payment updates to the Medicare Economic Index — and Rep. Murphy's Provider Reimbursement Stability Act of 2023 (HR 6371) — which seeks to revise the Medicare Physician Fee Schedule's budget neutrality requirements to prevent further cuts and ensure CMS more accurately assesses the true costs of delivering care.

Lobbyists and stakeholders, who have been raising concerns about the payment cuts set to take effect on January 1, 2025, quickly applauded lawmakers for introducing the short-term fix and are now urging Congress to pass it without delay when they return for the post-election lame-duck session.