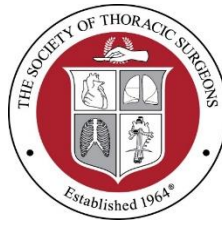


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November 2, 2023

The Honorable Brett Guthrie
Chairman
House Committee on Energy and Commerce
Subcommittee on Health
Washington, DC 20515

The Honorable Anna Eshoo
Ranking Member
House Committee on Energy and Commerce
Subcommittee on Health
Washington, DC 20515

Dear Chair Guthrie and Ranking Member Eshoo,

On behalf of The Society of Thoracic Surgeons (STS), I write to provide feedback on the important issues raised during the Subcommittee's hearing "What's the Prognosis?: Examining Medicare Proposals to Improve Patient Access to Care & Minimize Red Tape for Doctors". Founded in 1964, STS is a not-for-profit organization representing more than 7,700 surgeons, researchers, and allied healthcare professionals worldwide who are dedicated to ensuring the best possible outcomes for surgeries of the heart, lungs, and esophagus, as well as other surgical procedures within the chest.

We thank you for holding this hearing to address the critical issues facing physicians and patients, including unsustainable and declining Medicare reimbursements. We appreciate the opportunity to share our perspective on the legislation and interventions needed to improve and more strategically allocate Medicare spending.

Physician Payments Significantly Lag Inflation

STS is profoundly disappointed that the Centers for Medicare and Medicaid Services (CMS) continues the longstanding trend of systematically devaluing Medicare reimbursements. While the operational and overhead costs for medical practices continue to rise significantly, especially during the wake of the COVID-19 pandemic, Medicare reimbursements have been on a declining trend for several decades. This widening gap not only puts undue financial strain on medical professionals, but also threatens the sustainability of practices that countless patients rely upon for their healthcare needs. It's imperative to recognize that when reimbursements do not keep pace with escalating costs, the viability and quality of patient care are potentially at risk.

According to the American Medical Association (AMA), Medicare physician payments have lagged 26% behind the rate of inflation growth since 2001. This is in stark contrast to other healthcare sectors who automatically receive inflation-based updates each year. Reductions to physician reimbursements are multifactorial and continue to compound. For 2024, cardiothoracic surgeons are facing a reduction exceeding 3%.

The factors contributing to declining reimbursements require congressional intervention to fully address and we urge the Committee to help mitigate these cuts.

Complexity Add-on Code G2211

STS encourages Congress to delay or halt the CMS proposed complexity add-on code G2211 for separate payment for office/outpatient visits before the end of the year to help mitigate the reduction in reimbursement caused by the budget neutrality adjustment.

STS has significant concerns over the flawed code that is responsible for 90% of the budget neutrality adjustment in the 2024 Medicare Physician Fee Schedule, creating additional financial pressures for practitioners struggling to provide specialized care. G2211 was previously delayed by Congress for the following reasons:

- There is no longer a valid justification for G2211 because under the new office or outpatient visit coding structure, physicians, and qualified healthcare professionals (QHPs) have the flexibility to bill a higher-level code to account for increased medical decision-making or total time of the encounter.
- Numerous reportable and resource-based validated codes are available for documenting work and time across various complexity levels and continuing care, making G2211 duplicative of work already represented by existing codes.
- If implemented, this code will inappropriately result in overpayments to those using it while at the same time penalizing all physicians due to a reduction in the Medicare conversion factor that will be required to maintain budget neutrality under the PFS.

Delaying or halting this policy would have no CBO score, based on previous delays done by Congress. More details can be found in a [letter](#) written to CMS detailing these concerns that was signed by 19 medical specialty associations.

Strengthening Medicare for Patients and Providers Act

We encourage the Committee to consider enacting H.R. 2474, the Strengthening Medicare for Patients and Providers Act. STS strongly supports this bipartisan legislation that would provide Medicare physician payments with an annual inflation update equal to the Medicare Economic Index (MEI) to offer financial stability to physician practices to preserve access to care for Medicare beneficiaries. This policy impacts providers in all settings and helps allow them to absorb ongoing reductions in purchasing power caused by high inflation combined with annual cuts triggered by budget neutrality. STS acknowledges that this policy would require significant new investments to stabilize Medicare payments, but this is the single largest statutory barrier facing physicians today and is warranted.

Provider Reimbursement Stability Act of 2023

STS appreciates the Committee's interest in the Provider Reimbursement Stability Act of 2023. This proposal aims to make targeted reforms to the budget-neutrality policies that have been eroding

Medicare physician payments and is greatly needed to enhance the stability and predictability of Medicare physician payments. This bill includes four important reforms.

First, it would ensure that budget neutrality adjustments are based on the actual utilization of new codes, rather than arbitrary assumptions. Unfortunately, it is not uncommon for CMS to overestimate utilization assumptions related to code revaluations in its budget neutrality estimates, which result in permanent and unjustifiable Medicare cuts to physician payments across-the-board. This legislation would provide a lookback period that would allow CMS to reconcile erroneous utilization projections based on actual claims and adjust the conversion factor as necessary.

Second, it would also update the spending threshold that initiates a budget neutrality adjustment, which has not been adjusted for inflation since 1989. This bill would raise this threshold from \$20 million to \$53 million and adjust it every 5 years based on the cumulative increase in MEI during that time. This change would allow for greater flexibility in determining relatively minor pricing and policy changes for services without triggering across-the-board cuts.

Third, the legislation would require the Secretary to limit budget neutrality adjustments to 2.5% each year. This would provide greater stability for the Medicare physician payments by removing relatively large and abrupt changes in conversion factor calculations in any given year.

Finally, starting in 2026, clinicians participating in qualifying alternative payment models (APMs) will receive a higher MPFS payment update each year than clinicians participating in MIPS. This legislation clarifies that the differential payment update for 2026 will apply to the conversion factor CMS established in 2025.

To amend title XVIII of the Social Security Act to extend incentive payments for participation in eligible alternative payment models

STS supports this bill which would extend the current Advanced APM incentive payment at 3.5% and we urge Congress to reinstate the previous incentive payment amount of 5%. Since the APM pathway was introduced in the Medicare Access and Chip Reauthorization Act (MACRA), it has been primarily geared towards primary care with limited participation options for specialists. When drafting the legislation, Congress recognized that fee-for-service payments alone would not be sufficient to cover the expenses associated with building and maintaining the necessary infrastructure to engage in wholesale care delivery redesign. To account for this, MACRA included a 5% incentive payment to enable clinicians to transition to APMs. This strategy has proven successful as participation in APMs has grown by more than 173% with nearly 300,000 clinicians.¹ However, the 5% congressionally appointed bonus payments for early participation in an APM will expire before APMs targeted towards specialist participation have been introduced for use in the Quality Payment Program (QPP), meaning specialists have not had an opportunity to earn the bonus. Continuing to adequately incentivize participation in APMs will allow specialists to have the same incentives as other providers, which may encourage more specialists to take on down-side risk and prioritize value-based care.

¹ <https://qpp-cm-prod-content.s3.amazonaws.com/uploads/2433/2021%20QPP%20Experience%20Report.pdf>

Improving Seniors Timely Access to Care Act of 2023

Utilization management tools such as prior authorization have a large impact on the availability and outcome of care. For patients and providers prior authorization (PA) requirements can cause unnecessary burden, care delays, and negative outcomes. The AMA recently published data from a survey showing that 93% of physicians report care delays or disruptions associated with PA and that 34% of physicians report that PA has led to a serious adverse event (e.g., hospitalization, permanent impairment, or even death) for a patient in their care.² The survey also showed 91% of physicians see PA as having a negative effect on their patients' clinical outcomes. Additionally, a 2022 report from the Office of Inspector General (OIG) showed that 13% of requests denied by Medicare Advantage (MA) plans met Medicare coverage rules, and 18% of payment request denials met Medicare and MA billing rules.³ **For these reasons, STS supports the Improving Seniors Timely Access to Care Act of 2023 to address the concerns that PA presents to MA beneficiaries and protect timely access to health care.**

Telehealth Privacy Act of 2023

The provision of remote health care services offers great benefit not only to the patient receiving the services, but to the provider as well. Allowing appropriately licensed and credentialed providers to practice telehealth from their home improves patient access to healthcare services, reduces healthcare costs, while maintaining and meeting patient demand for care. However, it is not practical, workable, or safe to require a provider to publicly report their home address as their practice location. Medicare providers should not be compelled to share their personal information, especially when it relates to their home addresses. In an environment in which threats against healthcare professionals have markedly increased, the safety and privacy of physicians must be paramount. **STS appreciates the Committee's interest in the Telehealth Privacy Act of 2023 which would directly address these concerns.**

Medicare Geographic Practice Cost Index

STS supports legislation that addresses and improves the accuracy of the Medicare geographic practice cost index (GPCI). Raising the Medicare GPCI floor is essential in ensuring healthcare equity across various geographical regions. Without it, providers in rural and low-cost areas are unfairly compensated, potentially discouraging talented professionals from practicing in these regions. A higher GPCI floor promotes resource allocation that more accurately reflects the true cost of providing care, helping to sustain practices in underserved areas. This is crucial for reducing regional health disparities, improving access to quality care, and incentivizing providers to serve communities that need them most.

Sustainable Cardiopulmonary Rehabilitation Services in the Home Act

STS supports legislation that would permanently allow direct supervision of cardiac and pulmonary rehabilitation programs to be met through virtual presence via real-time, two-way audio/visual telecommunications technology.

Increasing Access to Quality Cardiac Rehabilitation Care Act of 2023

² <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>

³ <https://oig.hhs.gov/oei/reports/OEI-09-18-00260.asp>

STS supports the expansion and expedition of access to cardiac rehabilitation programs and pulmonary rehabilitation programs under the Medicare program.

Providing Relief and Stability for Medicare Patients Act of 2023

STS agrees there is a need to increase non-facility practice expense relative value units for specified services furnished under the Medicare program. We appreciate the Committee reviewing this legislation to address the issue.

Thank you for the opportunity to provide these comments. Please contact Molly Peltzman, Associate Director of Health Policy, at mpeltzman@sts.org or Derek Brandt, Vice President of Government Affairs, at dbrandt@sts.org, should you need additional information or clarification.

Sincerely,

A handwritten signature in black ink, reading "Thomas E. MacGillivray". The signature is written in a cursive style with a large initial 'T' and 'M'.

Thomas E. MacGillivray, MD
President