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Medical Practice
Association™**

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December 8, 2023

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles “Chuck” Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Leader
Schumer, and Minority Leader McConnell:

As the leaders of the first national, multi-specialty advocacy organization devoted exclusively to the interests of independent physicians, we urge you to repeal Medicare reimbursement cuts for physicians set to take effect in 2024 -- and to work toward a permanent fix that would index physician reimbursement under Medicare to inflation.

These cuts threaten to accelerate consolidation in the healthcare market, which is reducing patient access to care, raising costs throughout the system, and putting thousands of good-paying jobs at risk.

The [American Independent Medical Practice Association](https://www.aimpa.us) represents over 350 independent medical practices with nearly 7,400 doctors in 40 states and the District of Columbia who

provide quality, affordable health care for approximately 13 million patients each year. Our physicians practice in a wide range of specialties, including cardiology, dermatology, emergency medicine, gastroenterology, hematology, medical and radiation oncology, neurosurgery, OB/GYN, orthopedic surgery, and urology.

In the early 1980s, [three-quarters of U.S. doctors](#) cared for patients in their own medical practices. Today, the reverse is true -- [roughly three-quarters of doctors](#) work for hospitals, health systems, and other corporate entities. Since 2019, [over 100,000 doctors](#) have abandoned independent practice and signed on as employees at larger healthcare entities.

The ongoing wave of consolidation has been driven in part by Medicare's structural bias against independent physician practices. Since 2001, the program's reimbursement rates for inpatient hospitals, hospital outpatient centers, and skilled nursing facilities have [increased by around 70%](#). Yet reimbursement for physicians has increased at a fraction of that rate -- [just 10%](#).

The costs associated with operating a practice have increased by [nearly 50%](#) over that period. Overall consumer prices have surged [even more than that](#).

In other words, [Medicare payments to physicians have declined 26%](#) after taking inflation into account.

As a result, many independent physicians have been forced to shutter their practices or accede to buyout offers from hospitals or large health systems. Medicare reimbursement simply hasn't kept up with the cost of staffing, rent, insurance, and other operational expenses.

That has serious ramifications for patients. Independent physician practices deliver high-quality care at prices that are typically lower than large hospitals and health systems. According to [research published in the Annals of Family Medicine](#), people treated at smaller, physician-owned practices have lower rates of preventable hospital admissions than those treated by larger providers.

Large hospitals charge [up to 25% more](#) than physician-owned practices for the same services. These outsized costs place an enormous financial burden on the healthcare system, with ordinary Americans footing the bill in the form of higher taxes and insurance premiums.

Independent physician practices are also far more convenient for many patients. They may be nearer to patients' homes than large medical centers in urban areas. For those in

underserved and less populous communities, losing a neighborhood practice could mean having to drive hours to see a comparable provider.

Moreover, the disappearance of independent physician practices means the disappearance of thousands of good-paying, non-physician healthcare jobs. When an independent physician closes up shop and signs on as an employee with a hospital, the physician assistants, nurses, and office support staff that his or her practice employed may find themselves out of work.

If Congress allows the planned 3.4% cut in Medicare reimbursement to take effect January 1, 2024, then payments made to physicians in independent medical practices will have declined by nearly 10% over the last four years -- at the same time that inflation has been driving up the cost of care delivery.

Congress has had to deal with the potential consequences of planned cuts to physician reimbursement under Medicare on essentially an annual basis. The uncertainty that these cuts engender makes it hard for independent practices to plan for the long term. They may not know if they'll have the funds to hire and retain high-quality staff, invest in state-of-the-art technology and equipment, or spend the amount of time they'd like with patients.

We support [H.R. 6545](#), bipartisan legislation that would moderate the cuts planned to Medicare reimbursement for physicians. We also support the [Better Mental Health Care, Lower-Cost Drugs, and Extenders Act](#), a bill passed unanimously by the Senate Finance Committee that would similarly moderate Medicare reimbursement cuts for physicians.

But we strongly believe that a permanent solution -- one that would preserve the viability of independent medical practices for the long term -- is necessary. A bipartisan group of 72 congressmen has co-sponsored [H.R. 2474](#), the Strengthening Medicare for Patients and Providers Act. This bill would index physician pay under Medicare to the Medicare Economic Index, a measure of inflation. We urge Congress to consider H.R. 2474 with all due haste.

Independent physician practices are a cornerstone of the U.S. healthcare system. They enable patients to access high-value care in lower-cost environments -- and form personal, trusting relationships with their doctors. We hope that Congress will take action to preserve the ability of independent physicians to care for patients.

Thank you for your consideration of this crucial matter. We welcome the opportunity to answer any questions you may have.

Sincerely,

Dr. Paul Berggreen
President and Board Chair
American Independent Medical Practice Association
Phoenix, Ariz.

Dr. Jack Feltz
Chair, Federal Health Policy
American Independent Medical Practice Association
Morristown, N.J.

CC: The Honorable Ron Wyden, Chairman, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee
The Honorable Cathy McMorris Rodgers, Chairwoman, House Energy and
Commerce Committee
The Honorable Frank Pallone, Ranking Member, House Energy and Commerce
Committee
The Honorable Jason Smith, Chairman, House Ways and Means Committee
The Honorable Richard Neal, Ranking Member, House Ways and Means
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