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**AIMPA.US**

December 3, 2024

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

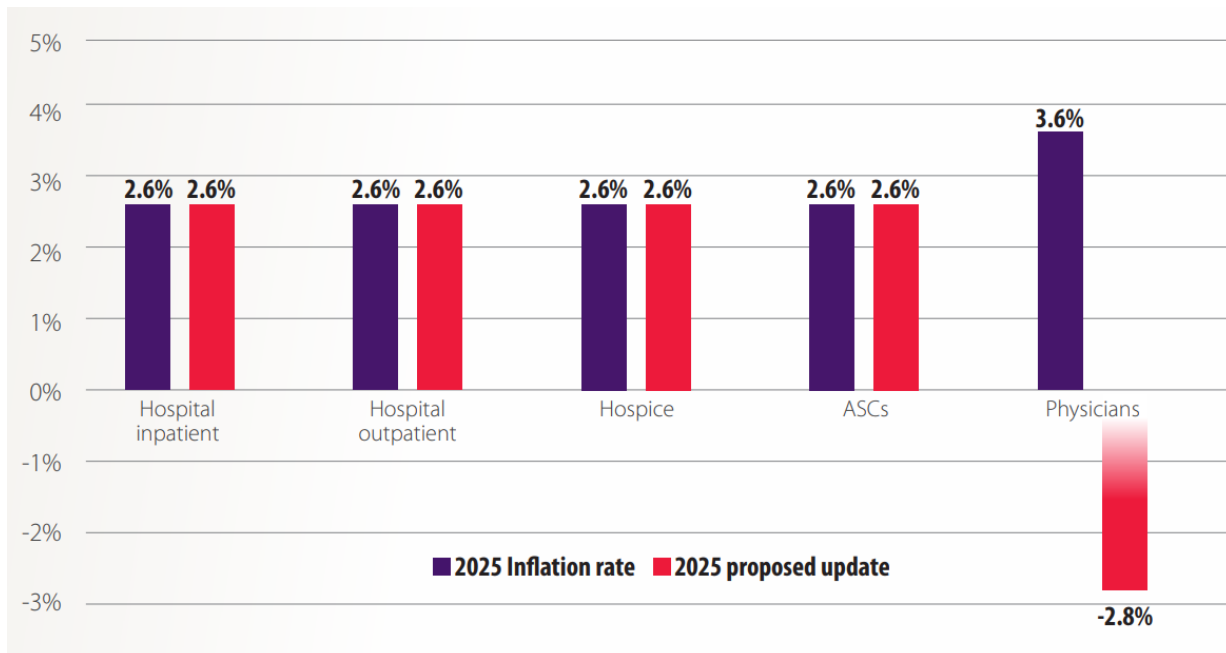
Dear Speaker Johnson, Minority Leader Jeffries, Leader  
Schumer, and Minority Leader McConnell:

We write to you with a timely request on behalf of the [American Independent Medical Practice Association](#) (AIMPA), the first national, multi-specialty advocacy organization devoted exclusively to the interests of physicians caring for patients in independent medical practices.

Before the end of the 118th Congress, we urge you to repeal Medicare reimbursement cuts for physicians set to take effect in January 2025 by passing [H.R. 10073](#), the Medicare Patient Access and Practice Stabilization Act.

Next year, Medicare reimbursement is set to increase for both in-patient and outpatient hospital facilities, hospice providers, and nearly all other healthcare providers. Physicians, on the other hand, are scheduled to receive a [pay cut of almost 3%](#).

These cuts threaten to accelerate consolidation in the healthcare market. Research shows that consolidation reduces access to care and ultimately raises costs for patients, employers, and taxpayers.



*Credit: [American Medical Association](#)*

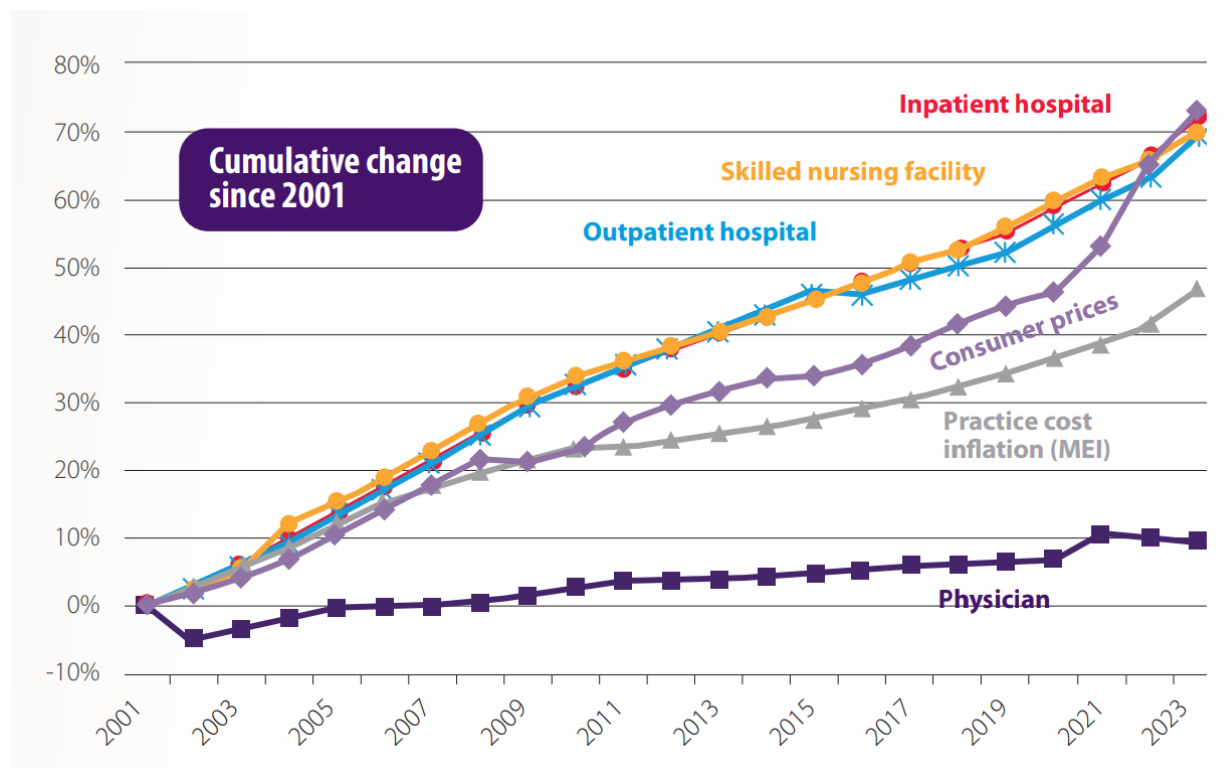
[AIMPA](#) represents nearly 600 independent medical practices with over 10,000 doctors in 44 states and the District of Columbia who provide quality, affordable health care for approximately 24 million patients each year. Our physicians practice in Primary Care and Internal Medicine as well as the specialties of Cardiology, Dermatology, Gastroenterology, Hematology/Medical Oncology, Nephrology, Neurosurgery, Ophthalmology, Orthopedic Surgery, Otolaryngology, Radiation Oncology, Urology, Urgent Care, Vascular Medicine, and Women’s Health. AIMPA’s mission—along with the mission of the 12 undersigned state associations supporting independent medical practices across the country—is to promote and protect high quality, cost-efficient care furnished in the independent practice setting.

To the tremendous detriment of tens of millions of Americans in every region of the country, independent practices are disappearing. Hospitals acquired [2,800 additional physician practices](#) in 2022 and 2023. Hospitals owned nearly [70,000 physician practices](#) as of January 2024. That number has [grown 12%](#) since 2019.

In 2012, hospitals and large health systems employed just [one-fourth](#) of physicians. Today, they employ [more than half](#) of all physicians. In the last five years, [nearly 75,000 doctors](#) have signed on as employees at hospitals and health systems.

Medicare's structural bias against independent physician practices bears substantial responsibility for this ongoing wave of consolidation. Since 2001, Medicare reimbursement rates for inpatient hospitals, hospital outpatient centers, and skilled nursing facilities [have increased by around 70%](#). Reimbursement for physicians has increased at a fraction of that rate -- [just 10%](#).

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



Credit: [American Medical Association](#)

In other words, Medicare payments to physicians have [\*declined roughly 30%\*](#) after accounting for inflation.

Given these economic realities, it's no wonder that 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.

The shift away from independent physician practice has serious ramifications for patients and the healthcare system. According to a study of five specialties conducted by healthcare consulting firm Avalere, total Medicare expenditures per beneficiary per year increased an average of [\*more than \\$1,300 per beneficiary\*](#) in the 12 months after the physician caring for the beneficiary moved from an unaffiliated private practice to a hospital affiliation.

Independent practices deliver high-quality care at lower cost than large hospitals and health systems. People treated at physician-owned practices have lower rates of preventable hospital admissions than those treated by larger providers, according to [\*research published in the Annals of Family Medicine\*](#). Large hospitals charge [\*up to 25% more\*](#) than physician-owned practices for the same services.

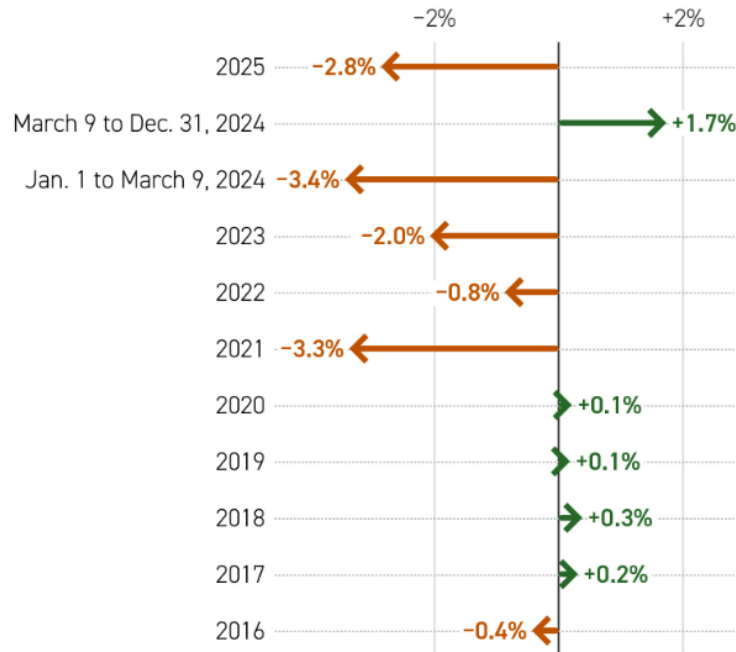
These outsized costs place an enormous financial burden on the healthcare system, with ordinary people footing the bill in the form of higher taxes and insurance premiums. [\*Millions of Americans\*](#) are struggling with medical debt. That problem may grow worse if patients lose access to lower-cost private physician practices.

Independent practices are also more convenient for many patients. They may be nearer to patients' homes than large medical centers in urban areas. For patients in underserved and less populous communities, losing a neighborhood practice could mean [\*having to drive hours to see a 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 2.8% cut in Medicare reimbursement to take effect next year, then physicians will have received pay cuts in each of the past five years.

Percentage change in physician fee schedule conversion factor from previous rate



Credit: [POLITICO](#)

Inflation has been raging across the economy. The Medicare Economic Index increased [4.6% in 2024](#) and is set to increase [3.5% in 2025](#). Independent physician practices cannot continue to absorb reimbursement cuts from Medicare when their operational costs continue to surge.

As this legislative session winds down, we ask Congress to provide relief for physicians by enacting [H.R. 10073](#). This bipartisan bill would not only eliminate the 2.8% cut planned for 2025 but also implement an adjustment for inflation to help offset physicians' rising costs next year -- a vital measure that we hope to establish as a pillar of Medicare reimbursement reform efforts moving forward.

In the long term, more fundamental payment reform will be necessary to keep independent medical practices viable. The uncertainty that regular payment cuts engender, particularly in the face of increases in the costs of running a medical practice, makes it difficult for independent practices to know whether they'll be

able to hire and retain high-quality staff, invest in state-of-the-art technology and equipment, and spend the amount of time they'd like with patients.

We strongly encourage the incoming 119th Congress to index physician reimbursement to inflation. H.R. 2474, the Strengthening Medicare for Patients and Providers Act, would do so by pegging physician reimbursement to the Medicare Economic Index. More than 170 Members of Congress from both parties [co-sponsored](#) this bill during the 118th Congress. We urge the 119th Congress to take up this bill when it convenes in January.

Independent physician practices are cornerstones of the U.S. healthcare system. They are an effective, competitive counterbalance to hospital systems employing physicians. And they allow patients to form personal, trusting relationships with their doctors. If independent physician practices continue to disappear, then the market for physician services will suffer -- and healthcare costs will continue to rise.

We hope that Congress will take action to preserve the ability of independent physicians to care for patients by passing H.R. 10073, the Medicare Patient Access and Practice Stabilization Act, before the end of this year.

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



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

Dr. Ed Cohen  
President and Board Chair  
California Independent Physician  
Practice Association

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Connecticut Independent Physician  
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Practice Association

Dr. Michael Hagg  
President and Board Chair  
Pennsylvania Independent Physician  
Practice Association

Dr. Steve Kaptik  
President and Board Chair  
Washington Independent Physician  
Practice Association

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  
Committee