

January XX, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

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

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

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, Minority Leader McConnell:

We write regarding our grave concerns regarding the viability of office-based specialists given the recent changes to the Physician Fee Schedule. While S. 610, the Protecting Medicare and American Farmers from Sequester Cuts Act (PL 117-71) provided temporary relief from most of the 3.75 percent cut to the conversion factor which was scheduled to take place on January 1, 2022, we were disappointed that the extensive cuts for office-based specialists under the 2022 Physician Fee Schedule were left unaddressed. These “clinical labor” cuts are the most significant negative impact of the 2022 Physician Fee Schedule by far and are expected to cut reimbursement by more than 20 percent for some specialties. Frankly, these cuts threaten to undermine efforts to address health inequity, accelerate health system consolidation, and weaken our ability to deal with the pandemic.

Cuts to Office-Based Specialists Threaten Health Equity

The 2022 Physician Fee Schedule threatens access to a number of services which disproportionately impact minority patients as shown in the table below.

Disease/Service	Health Inequity	Fully-Implemented Cuts¹
Venous Ulcer / Endovenous radiofrequency ablation	Black patients present with more advanced venous insufficiency than white patients	Key Code (36475) cut by 23%
ERSD / Dialysis Vascular Access	Black and Latino patients start dialysis with a fistula less frequently despite being younger	Key Code (36902) cut by 18%

¹ The 2022 PFS Final Rule phases-in these cuts over 4 years. Cuts in this table are estimates as CMS (1) does not disaggregate impacts by site-of-service and (2) did not publish the effects of the cuts over the 4-year period.

Cancer / Radiation oncology	Black men are 111 percent more likely to die of prostate cancer; Black women are 39 percent more likely to die of breast cancer	Key Code (G6015) cut by 15%
Peripheral Artery Disease / Revascularization	Black Medicare beneficiaries are 3X more likely to receive an amputation; Latino beneficiaries are 2X as likely	Key Codes (37225-37221) cut by 22%
Fibroid / Uterine Fibroid Embolization	Uterine fibroids are diagnosed roughly 3X more frequently in Black women	Key Code (37243) cut by 21%

Cuts to Office-Based Specialists Accelerate Health System Consolidation

Since 2006, office-based specialists under the Physician Fee Schedule already have seen cuts of 20 to 40 percent. According to the American Medical Association, the share of physicians working for a hospital increased from 29.0 percent in 2012 to 39.8 percent in 2020. The ongoing pandemic also has accelerated these trends with hospitals and corporate entities acquiring 20,900 additional physician practices over the last two years. We firmly believe that another round of 20 percent cuts as planned by the 2022 Physician Fee Schedule will cause many of the remaining office-based centers to simply close their centers and complete the migration to large health systems. As a result, Medicare spending and patient copays will increase, and the Medicare Part A Trust Fund will move closer towards insolvency.

Cuts to Office-Based Specialists Undermine Our Health System’s Pandemic Response

These ongoing cuts to specialties under the Physician Fee Schedule are also weakening our healthcare system’s ability to deal with the ongoing COVID-19 pandemic. A key lesson learned since the start of the pandemic is that it is critical that hospitals be able to focus on our sickest pandemic patients. Yet many other patients dealing with cancer, end-stage renal disease, limb salvage, and other issues cannot wait for the care that is critical to keeping them alive or out of the hospital. Office-based care provides a critical point of access outside of hospitals that have been overwhelmed during the COVID-19 pandemic. Unfortunately, ongoing cuts to office-based providers threaten their very existence and will further undermine our health system’s pandemic response.

There is widespread agreement that the Physician Fee Schedule is desperately in need of reform, and we look forward to working with you on this larger endeavor. While we continue this important work, we strongly urge you to include relief to office-based specialists in the February omnibus appropriations legislation to protect access to care for Medicare patients around the country.

Thank you for the consideration of this urgent request.

Sincerely,