

June XX, 2020

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Azar:

The undersigned organizations support the actions of the Centers for Medicare & Medicaid Services (CMS) in last year's Medicare physician payment final rule to utilize the American Medical Association (AMA) Current Procedural Terminology (CPT) Editorial Panel coding framework and AMA Specialty Society Relative Value Scale Update Committee (RUC) recommended values for office and outpatient visits starting January 1, 2021. The framework was the result of significant collaboration by an AMA-convened workgroup that brought together more than 170 state medical and specialty societies. CMS' new office visit policy will lead to significant administrative burden reduction and better describe and recognize the resources involved in office visits as they are performed today.

Our organizations also appreciate the actions of the U.S. Department of Health and Human Services (HHS) and its agencies to provide flexibility, regulatory relief, and financial assistance to physicians and health care professionals to meet the needs of patients during the COVID-19 pandemic. We greatly appreciate HHS' frequent outreach to the physician community and its responsiveness to our recommendations, questions, and concerns. As a result of confronting the novel coronavirus in hard-hit communities and mitigating its spread throughout the country, many practices face a myriad of economic hardships. We are concerned that the financial instability created by this public health crisis will be exacerbated by budget neutrality adjustments required when CMS implements a widely supported Medicare office visit payment policy finalized for 2021. **Therefore, we strongly urge HHS to utilize its authority under the public health emergency declaration to preserve patient access to care and mitigate financial distress due to the pandemic by implementing the office visit increases as planned while waiving budget neutrality requirements for the new Medicare office visit payment policy.**

We are deeply concerned about the impact of the sizable budget neutrality cuts this update will impose on many physicians and health care professionals who do not report office visit codes, including radiologists, pathologists, and physical therapists, all of whom face estimated 2021 payment cuts of more than 8% solely due to budget neutrality. Specialties including general surgeons, critical care physicians, anesthesiologists, emergency physicians and hospitalists face estimated cuts ranging from 5% to 7.8%. The budget neutrality driven cuts also will reduce the positive impacts of the office visit changes for primary care physicians, oncologists, pediatricians, and other specialties for whom the office visits are a high proportion of their services.

Payment reductions of this magnitude would be a major problem at any time, but to impose cuts of this magnitude during or immediately after the COVID-19 pandemic, including steep cuts to many of the specialties that have been on the front lines in efforts to treat patients in places with widespread infection, is unconscionable. Recent survey and claims analysis suggest that physician practice revenue decreased at least 50% between March and May 2020,<sup>1</sup> which translates to a \$70.6 billion reduction in revenue based on AMA analysis of CMS' National Health Expenditure data for 2018. Physician practices may be able to

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<sup>1</sup> [Fair Health, Healthcare Professionals and the Impact of COVID-19](#); [MGMA, COVID-19 Financial Impact on Medical Practices](#); [AMGA, Surveys of Financial Impact of COVID-19](#); [Primary Care Collaborative, Primary Care & COVID-19: Surveys](#).

recoup some of that revenue, but not all. The reopening is occurring in phases for physician practices, certain patients are unable or unwilling to leave home for an in-office service or procedure, and physicians will not be able to see nearly as many patients as they did before COVID-19 due to new safety precautions and personal protective equipment supply. In addition to having reduced capacity due to safety precautions, physicians also face increased expenses post-pandemic due to these same safety precautions. We believe it is a reasonable assumption that practice revenue would be reduced by a minimum of 25% from the norm over the June to August period. That would amount to another \$35.3 billion reduction in revenue based on AMA analysis of CMS' National Expenditure data for 2018. While some of that revenue loss has been offset by the CARES Act Provider Relief Fund grants, the estimated \$11 billion received thus far from the \$50 billion of general distribution funding represents only 10% of the total estimated revenue loss.

In addition, CMS loaned \$40.4 billion as a lifeline to physicians, health care professionals, and other Part B suppliers during the initial phase of the pandemic through the Advanced Payment Program. Under current terms, these loans will be recouped by offsetting Medicare payments beginning in August. Our organizations are seeking regulatory and statutory improvements to these loan repayment terms, including a much lower interest rate, but even in the event of improved terms, many physician practices face the possibility that they will have either just finished repaying these loans or still be in the process of repaying them when the budget neutrality cuts take effect, compounding its negative impact.

These challenges highlight the urgent need for HHS to ensure practices facing severe economic strain and uncertainty are able to continue meeting the needs of patients during and after the pandemic. **For these reasons, our organizations strongly urge HHS to use its authorities and flexibilities under the public health emergency to implement the office visit increases and waive the requirement for CMS to adjust Medicare physician payments for budget neutrality when it implements the office visit coding and payment changes that it has finalized for 2021.**