

April 5, 2024

The Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, DC 20515

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

The Society of Gynecologic Oncology (SGO) applauds you for passing legislation to mitigate the 3.37% cut to Medicare physician reimbursement. For the remainder of the year, reimbursement for Medicare physician services will be 1.69% below the 2023 payment level. Additionally, we anticipate that physicians will face another cut to the Medicare Physician Fee Schedule (MPFS) conversion factor cut on January 1, 2025, reducing physician payment even more. Therefore, we urge you to act to reform Medicare physician payment before the end of the year and end this cycle of conversion factor decreases.

The SGO is the premier medical specialty society for health care professionals trained in the comprehensive management of gynecologic cancers. Our more than 2,800 members include physicians, advanced practice providers, nurses and patient advocates who collaborate with the Foundation for Women's Cancer to increase public awareness of gynecologic cancers and improve the care of those diagnosed with gynecologic cancers. Our primary mission focuses on supporting research, disseminating knowledge, raising the standards of practice in the prevention and treatment of gynecologic malignancies, and collaborating with other organizations dedicated to gynecologic cancers and related fields, all with the ultimate vision of eradicating gynecologic cancers.

The entire physician community continues to face unpredictable Medicare reimbursement rates and rising inflation – a perfect storm of financial instability that threatens SGO members' ability to care for patients. According to an American Medical Association (AMA) analysis of Medicare Trustees data, Medicare physician payment has declined by 26% percent when adjusted for inflation from 2001–2023. It is important to note that the MPFS does not receive necessary increases or adjustments for inflation, in contrast to other Medicare fee schedules. In fact, the last positive update to the MPFS conversion factor was in 2019. The decline in reimbursement over the last two decades undermines physicians' ability to keep pace with the increasing supply and clinical staff costs required to deliver essential medical services, jeopardizing patient access to timely and high-quality care.

While we appreciate Congress' willingness to temporarily mitigate Medicare physician payment cuts, these short-term fixes have detracted from the need for comprehensive payment reforms. For these

reasons, SGO recommends that Congress work with physicians to implement long-term, systemic reforms that bring stability to the Medicare physician payment system ending this cycle of annual payment reductions and preserving beneficiary access to medical services. Specifically, we urge you to consider supporting the following legislative solutions:

- Annual Inflationary Adjustments
 - The MPFS does not receive necessary increases or adjustments for inflation, in contrast to other Medicare fee schedules. SGO supports an annual inflationary adjustment, equal to the Medicare Economic Index (MEI) or some other inflationary factor. An annual inflation-based update to the MPFS will help practices cover the growing cost of clinical staff, rent, medical supplies and equipment, malpractice insurance, and other necessary expenses. Moreover, it will help to protect the supply of our nation's physicians and preserve patient access to care, particularly in areas where there may be a shortage of providers.
- Budget Neutrality
 - Current Medicare statute requires changes to the MPFS be implemented in a budget neutral manner, which means that policies that increase or decrease Medicare spending by more than \$20 million require that upward or downward adjustments be made by that excess amount to all physician services. SGO recommends that Congress consider raising the budget neutrality threshold above \$20 million to a figure that accommodates changes in Medicare spending, allowing for more flexibility in adjusting physician payments. This threshold has not been updated since the 1990s. Congress should also provide for an increase every 5 years equal to the cumulative increase in MEI to ensure that physician payments keep pace with inflation and the cost of delivering care.
- Updates to Practice Expense
 - Medicare bases its payment rates under the MPFS in part on estimates of the resources used in furnishing each service to a typical Medicare patient. For each service, there is a valuation for practice expense (PE), which is composed of the direct and indirect practice resources involved in furnishing medical services. SGO recommends that the Secretary of Health and Human Services (HHS), no less than every 5 years, update prices and rates for direct cost inputs for PE relative value units (RVUs) which includes clinical wage rates, prices of medical supplies, and prices of equipment. PE data should be updated on a regular basis to account for the inevitable changes in technology, practice patterns, clinical labor rates, and other factors that influence these inputs. Updating the data more regularly will provide greater stability within the payment system.

It is time for Congress to commit to lasting reforms that ensure the Medicare program remains viable and effective for generations to come. We thank you for your leadership and continue to welcome the opportunity to work with you to address the flaws in the Medicare payment system to best support patients and providers. Should you have any questions, please do not hesitate to Erika Miller at emiller@dc-crd.com.

Sincerely,



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cc: The Honorable Catherine Cortez Masto - Senate Medicare Payment Reform Working Group
The Honorable Marsha Blackburn - Senate Medicare Payment Reform Working Group
The Honorable John Thune - Senate Medicare Payment Reform Working Group
The Honorable John Barrasso - Senate Medicare Payment Reform Working Group
The Honorable Debbie Stabenow - Senate Medicare Payment Reform Working Group
The Honorable Mark Warner - Senate Medicare Payment Reform Working Group
The Honorable Jason Smith - House Ways and Means Committee, Chair
The Honorable Richard Neal - House Ways and Means Committee, Ranking Member
The Honorable Cathy McMorris Rodgers - House Energy and Commerce Committee, Chair
The Honorable Frank Pallone - House Energy and Commerce Committee, Ranking Member
The Honorable Ron Wyden - Senate Finance Committee, Chair
The Honorable Mike Crapo - Senate Finance Committee, Ranking Member