

October 8, 2024

The Honorable Cathy McMorris Rodgers  
Chair  
Energy and Commerce Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Jason Smith  
Chair  
Ways and Means Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Energy and Commerce Committee  
United States House of Representatives  
Washington, DC 20515

The Honorable Richard Neal  
Ranking Member  
Ways and Means Committee  
United States House of Representatives  
Washington, DC 20515

Re: Physician Payment Reform Outline

Dear Chair Rodgers, Chair Smith, Ranking Member Pallone, and Ranking Member Neal:

On behalf of the Society of Gynecologic Oncology (SGO), thank you for the opportunity to provide comments in response to the House Ways and Means and Energy and Commerce Committees' ("the Committees") physician payment reform outline. We appreciate your leadership and efforts to ensure that the Medicare beneficiaries continue to have access to the full range of primary and specialty care services.

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.

Gynecologic oncologists play a multifaceted role in providing care for those with gynecologic cancer – diagnosing gynecologic cancer, developing personalized treatment plans for patients, performing complex surgeries, overseeing the administration of chemotherapy, and monitoring patients to detect recurrence or complications. Unfortunately, Medicare reimbursement has not kept pace with the costs of delivering this complex care. Therefore, we appreciate the Committees' commitment to protect Medicare beneficiaries' access to high-quality care.

### Payment Updates

SGO appreciates that the Committees recognize that the Medicare Physician Fee Schedule (MPFS) does not receive regular payment updates or adjustments for inflation unlike all other Medicare fee

schedules. SGO continues to be concerned that the Medicare program cannot support physicians who own and operate private practices since reimbursement has not kept pace with rising inflation. In fact, Medicare physician reimbursement has decreased 29% when adjusted for inflation from 2001-2024 and the last positive update to the conversion factor of 0.5% was applied in 2019. This financial instability threatens our members' ability to provide high-quality care for patients.

We are pleased to see that the outline includes an update equal to a yet-to-be-determined percentage of the Medicare Economic Index (MEI) every five years. However, we encourage the Committees to support an annual inflationary adjustment equal to the MEI. 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 support the supply of our nation's physicians and preserve patient access to care, particularly in areas where there may be a shortage of specialized providers, like gynecologic oncologists.

### **Budget Neutrality**

The lack of positive updates to the MPFS conversion factor combined with the MPFS' budget neutrality requirements create unintended consequences. Physicians know that when new services are added to MPFS or existing services increase in value the budget neutrality requirements will result in a conversion factor decrease, essentially pitting physician specialties against each other. Therefore, SGO appreciates the Committees' acknowledgment of the *Provider Reimbursement Stability Act of 2023's* (H.R. 6371) budget neutrality revisions. This policy addresses this issue as it authorizes the Secretary to compare estimated utilization to actual utilization and adjust the conversion factor for over- or underutilization based on the difference. SGO believes this is a good starting point to addressing estimated utilization and budget neutrality in the MPFS.

Additionally, H.R. 6371 would raise the budget neutrality threshold above \$20 million to \$53 million to allow for more flexibility in adjusting physician payments. Current Medicare statute requires that changes to the MPFS are 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. This threshold has never been updated and SGO urges Congress to do this now to ensure that physician payments keep pace with inflation and the cost of delivering care.

H.R. 6371 would also require the Secretary of Health and Human Services to, no less than every 5 years, update prices and rates for direct cost inputs for practice expense (PE) relative value units (RVUs) which includes clinical wage rates, prices of medical supplies, and prices of equipment. While not included in the outline, the SGO supports this policy to ensure and uphold the accuracy and integrity of the MPFS, including with respect to its underlying PE inputs. 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. As you know, for each service, there is a valuation for PE, which is composed of the direct and indirect practice resources involved in furnishing medical services. 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 by preventing significant redistribution of relative value units as required by the MPFS'

budget neutrality requirements. Therefore, SGO recommends that this provision be added to any legislation developed.

### **Alternative Payment Models (APMs)**

SGO believes that to achieve any meaningful improvements to the Centers for Medicare & Medicaid Services' (CMS) quality payment programs, Congress must first address updates to the conversion factor and the budget neutrality threshold. While Congress and CMS wish to continue the transition to value-based payments, maintaining the current investment in physician services is not reasonable when the costs of practicing medicine, including the electronic health records (EHRs) and staff needed to meet CMS' reporting requirements, are increasing.

The purpose of value-based care programs is to drive down health care costs and improve patient outcomes, but those goals cannot be achieved without robust physician participation in these models. Unfortunately, there are challenges for physicians, such as financial risk and administrative burden. In an environment of stagnant Medicare reimbursement, physicians are even more averse to the financial risk posed by these programs. Additionally, physician practices vary by size, specialty, and location; therefore, it is important that APMs are developed to support participation by different specialty practices and patient populations. Currently, there are few options available for SGO members to participate in APMs. With this in mind, we recommend that your committees work with CMS to encourage the development of APMs that can not only be applied across specialties, but also to diverse cancer types, including those that are less common, like gynecologic cancers. This, in turn, will allow for more tailored quality measures.

There are significant financial investments required to develop and implement an APM putting this option out of reach for many specialties or health systems. The Committees should ensure that CMS is provided with the necessary resources to support quality measure and APM development allowing them to partner with interested stakeholders. While CMS currently uses claims data to develop quality measures, there is an opportunity to enhance these metrics by incorporating more comprehensive quality measures developed by physician stakeholders. It is critical that specialty physicians, like SGO members, are involved in designing APMs to ensure that alternative approaches of delivering services are relevant to specialty practice, not overly burdensome, and support the needs of our patients.

### **Merit-based Incentive Payment System (MIPS)**

SGO is pleased that the Committees are considering changes to improve MIPS. We believe value-based care delivery is critical in maximizing quality and cost effectiveness and we are pleased that CMS continues to develop and test new models suitable for a wide range of practices of different sizes and specialties. Today, specialty physicians, like gynecologic oncologists, will find few physician-focused payment models available to them. We recognize that CMS intends to sunset traditional MIPS and move to MIPS Value Pathways (MVPs), and the agency is continuing to roll out new pathways each year. However, specialties like gynecologic oncology do not yet have MVP options to meaningfully participate.

Besides simplifying the MIPS program, the SGO strongly believes that all providers should have measures and MVPs that reflect the patient care they provide. To accurately measure quality and value, physicians must be able to report on measures and metrics relevant to their practice. Therefore, we encourage the

Committees to work with CMS and stakeholders like SGO to support the development of specialty and subspecialty specific measures to make participation more meaningful for providers, Medicare beneficiaries, and the agency. Moreover, any changes to the MIPS program should include policies that encourage and leverage the meaningful use of EHRs, such as Epic's CareEverywhere and other patient portals, to alleviate administrative burden and improve the quality of care delivered by clinicians.

Thank you again for the opportunity to submit comments on this outline. SGO welcomes 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 contact Erika Miller at [emiller@dc-crd.com](mailto:emiller@dc-crd.com).

Sincerely,

A handwritten signature in black ink that reads "Amanda Nickles Fader". The signature is written in a cursive, flowing style.

Amanda Nickles Fader, MD  
President, Society of Gynecologic Oncology  
[amanda.fader@sgo.org](mailto:amanda.fader@sgo.org)