



CO-SPONSOR H.R. 3674, THE PROVIDING RELIEF AND STABILITY FOR MEDICARE PATIENTS ACT OF 2023

2023 ISSUE SHEET

H.R. 3674, the Providing Relief and Stability for Medicare Patients Act of 2023, introduced by Representatives Gus Bilirakis (R-FL-12), Rep. Tony Cardenas (D-CA-29), Greg Murphy, MD (R-NC-3), and Danny Davis (D-IL-7), would mitigate cuts to office-based specialists for a targeted group of services for two years, avoiding significant disruptions in patient access to care while overall concerns regarding the future of Medicare physician payments are addressed. This targeted relief would occur by providing an increase to the non-facility practice expense relative value units (PE RVU's) for those procedures performed in an office-based setting that need an expensive medical device or piece of medical equipment and thus were most negatively impacted in the 2022 Medicare Physician Fee Schedule (PFS) with the updating of the clinical labor costs in the budget neutral practice expense methodology.

Request: The Society for Vascular Surgery requests your co-sponsorship of H.R. 3674, the “Providing Relief and Stability for Medicare Patients Act of 2023.”

Issue: As a result of budget-neutrality, the 2021 Medicare Physician Fee Schedule (PFS) Proposed Rule contained a reduction in the 2021 conversion factor by nearly 10% due to the initial revaluation of payments for evaluation and management codes and the creation of a new “complexity” code. In recognition of the severity of these cuts and the significant impact on physician practices, Congress delayed implementation of the new add-on code (until 2024) and provided some additional relief through adjustments for the Medicare conversion factor for the following years CY2021 (+3.75%), CY2022 (+3%), CY2023 (+2.5%) and CY 2024 (+1.25%). Despite these efforts, physicians have, or will, still absorb payment reductions in each of these years due to implementation of other policies that generate budget neutrality adjustments as part of the annual PFS rulemaking cycle.

Specifically, there are practice expense cuts to office-based specialists, due to the adjustment CMS made for clinical labor costs, which results in some services being subject to additional cuts in 2023 of 9%. This is due to a 2022 PFS policy which updated 20-year-old clinical labor wage data used as part of the calculation of direct practice expense relative value units in the PFS.



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Unfortunately, the required application of budget neutrality within the direct practice expense calculation has resulted in office-based specialists seeing their reimbursement for certain codes with high costs supplies and equipment decreased by well over double digit amounts through 2025, separate and apart from any conversion factor cuts.

Office-based specialty care is a critical service outside of the hospital setting. These specialists provide a wide range of services to patients with cancer, end-stage renal disease, eye disease, fibroids, as well as limb salvage and venous ulcer needs. The office setting is also critical for patient access (especially in rural and underserved areas) and can result in patients receiving care in a timelier manner.

Solution: To avoid significant disruptions in patient access to care, Congress must add new funding to the PFS for the explicit purpose of increasing the non-facility/office-based practice expense relative value units (NF PE RVUs) negatively impacted by CMS’ clinical labor policy for the next two years. To achieve this goal, H.R. 3674 would:

- Target/identify “Specified Non-Facility Services,” (i.e. office-based services) where at least 65% of the “direct costs” associated with “practice expense relative value units” are comprised of supplies and equipment;
- Increase office-based PE RVUs for “specified non-facility services” by 10% in CY 2024, and 15% in CY 2025;
- Follow existing precedent via implementation at the Contractor level, not unlike the Primary Care Bonus from the ACA or the Imaging Payment Policies from previously passed legislation;
- Include a provision to exempt this policy from budget neutrality so primary care and others can continue to receive increases under the clinical labor update policy; and
- Study the impacts of regulatory changes within the PFS on provider consolidation and patient access to care.

To co-sponsor H.R. 3674, contact Chris Jones (Chris.Jones@mail.house.gov) in Rep. Bilirakis’ office or Mariah Philips (Mariah.Philips@mail.house.gov) in Rep. Cardenas’ office.