



CO-SPONSOR H.R. 2474, THE STRENGTHENING MEDICARE FOR PATIENTS AND PROVIDERS ACT

2024 ISSUE SHEET

H.R. 2474, The Strengthening Medicare for Patients and Providers Act, introduced by Representatives Raul Ruiz, M.D. (D-CA-25), Larry Bucshon, M.D. (R-IN-08), Ami Bera, M.D. (D-CA-06), and Mariannette Miller-Meeks, M.D. (R-IA-01), would address payment uncertainty affecting Medicare-participating physicians and a possible physician shortage for Medicare beneficiaries.

To achieve this goal, H.R. 2474 amends current law to provide for an annual update to Medicare physician payment that is tied to inflation, as measured by the Medicare Economic Index (MEI).

Request: The Society for Vascular Surgery requests your co-sponsorship of H.R. 2474, the Strengthening Medicare for Patients and Providers Act.

Issue: For more than twenty years, Medicare payments have been under pressure from the Centers for Medicare & Medicaid Services (CMS) anti-inflationary payment policies. While physician services represent a very modest portion of the overall growth in spending, they are perennial targets for cuts when policymakers seek to tackle spending. Although Congress repeatedly intervened to prevent reimbursement cuts to surgeons, anesthesiologists, and other physicians due to the sustainable growth rate (SGR) system — which was enacted in 1997 and repealed in 2015 — Medicare physician payments have remained constrained due to a budget-neutral financing system, and updates to the conversion factor (CF) have failed to keep up with inflation. The result is that the 2023 CF is only about 50% of what it would have been if it had simply been indexed to general inflation starting in 1998. The CY 2024 CF already is scheduled for an annual payment reduction that will require Congressional intervention.

Physicians are the only providers whose Medicare payments do not automatically receive an annual inflationary update as part of their annual fee schedule payment methodology. As a result since 2001, Medicare physician payments have lagged 26% behind the rate of inflation. During this current period of record inflation and coming on the heels of a highly disruptive pandemic, this statutory flaw often amplifies the impact of other payment policy changes like "budget neutrality" adjustments, performance incentives, and so forth.



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Solution: Providing an annual inflation update equal to the Medicare Economic Index (MEI) for Medicare physician payments is essential if physician practices are going to be able to absorb payment distributions triggered by budget neutrality rules, performance adjustments, and periods of high inflation. It will also help physicians invest in their practices and implement new strategies to provide high-value care.

While there are many other concerns with the Medicare physician payment system and the Quality Payment Program that still need to be addressed, this legislation is an important first step toward fixing payment inequities and injecting more financial stability into physician practices, allowing them to invest in new ways of providing care and ultimately assuring Medicare beneficiaries have access to high-quality care.

To co-sponsor H.R. 2474, contact Erin Doty from Rep. Ruiz's office at Erin.Doty@mail.house.gov or Emily Mace from Rep. Bucshon's office at Emily.Mace@mail.house.gov.

When do you need a Vascular Surgeon?

Vascular surgeons focus on the health of all arteries and veins of the human body except for the heart and the intracranial vessels. They treat both aneurysmal degeneration as well as narrowed and occluded arteries such as those causing peripheral artery disease and carotid artery disease. Vascular surgeons manage venous problems including deep vein thrombosis, pulmonary emboli, and varicose veins. Vascular surgeons are highly trained in medical management, as well as endovascular interventions and complex open surgery when needed.

