EDPMA Urges Congress to Stabilize the Medicare Physician Fee Schedule

Driven by the lack of an inflationary update and an outdated requirement for budget neutrality, emergency medicine has experienced compounding Medicare cuts for over two decades, even as we have continued to provide safety net care. **The Emergency Department Practice Management Association (EDPMA) urges Congress to reform the Medicare Physician Fee Schedule by, at a minimum, providing an annual inflationary update and modernizing the budget neutrality requirement.**

Emergency Physicians are Uniquely Impacted by Medicare Reimbursement Volatility.

Although Medicare reimbursement issues affect all providers in the program, emergency medicine is in a unique situation due to the Emergency Medical Treatment and Labor Act (EMTALA), which mandates emergency departments to provide care to everyone, no matter a patient's insurance status or ability to pay. The guarantee that every emergency patient be seen is a critical feature of our nation's safety net and emergency care system. However, EMTALA also creates an unfunded care mandate, which necessarily contemplates shared stewardship, requiring a balance of higher and lower payments. The rise of high-deductible plans has further increased pressure on the shared stewardship model because these plans functionally create self-pay patients, as the patient may have to personally shoulder 100% of the bill for a necessary emergency visit. Patients may only be able to meet a fraction of that responsibility, which leaves the emergency department and emergency physicians to absorb the remainder. **The frequent delivery of underpaid and non-reimbursed services makes the reimbursement rates of other payers, including Medicare, absolutely critical to the emergency medicine community.**
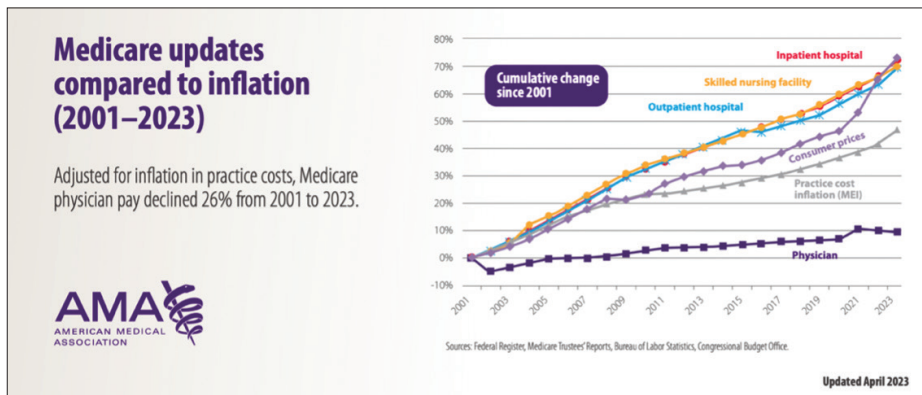
The Fee Schedule Lacks a Mechanism to Reflect Inflationary Cost Increases.

Unlike Medicare's other major payment systems, the MPFS lacks a mechanism to reflect annual inflation, leaving physicians to absorb annual increases in the cost of practice on top of additional reimbursement reductions. Not surprisingly, this has resulted in physician reimbursement falling significantly behind inflation metrics and behind the reimbursement of all other providers, as this graph by the American Medical Association illustrates:

It is imperative that Congress provide a mechanism for physician reimbursement to keep pace with the rapidly rising costs of providing medical care. The Medicare Economic Index (MEI) is specifically designed to measure annual increases in the cost of practice. For 2024, the MEI is +4.6%. Not having this reflected in underlying reimbursement rates leaves physicians with a functional -4.6% reduction to absorb in addition to reimbursement cuts

due to budget neutrality and Medicare sequestration. As noted in the Medicare Trustees' 2023 Report to Congress, access to Medicare physicians will become "a significant issue in the long term," absent a change in the delivery system or in the level of update.

The bipartisan Strengthening Medicare for Patients and Providers Act (H.R.2474) would establish an annual inflationary update to the Fee Schedule based on the MEI. This is a basic, foundational policy that will provide stability to the Medicare program. This legislation is led by Representatives Raul Ruiz (D-CA-25), Larry Bucshon (R-IN-8), Ami Bera (D-CA-6), and Mariannette Miller-Meeks (R-IA-1). We urge the Congress to enact this legislation.

Medicare updates compared to inflation (2001–2023)

Adjusted for inflation in practice costs, Medicare physician pay declined 26% from 2001 to 2023.

AMA
AMERICAN MEDICAL ASSOCIATION

Cumulative change since 2001

Inpatient hospital
Skilled nursing facility
Outpatient hospital
Consumer prices
Practice cost inflation (MEI)
Physician

Sources: Federal Register, Medicare Trustees' Reports, Bureau of Labor Statistics, Congressional Budget Office.

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ABOUT EDPMA

EDPMA is the nation's only professional trade association focused on the delivery of high-quality, cost-effective care in the emergency department. EDPMA's membership includes emergency medicine physician groups of all sizes, billing, coding, and other professional support organizations that assist healthcare clinicians in our nation's emergency departments. **Together, EDPMA members see or support 60% of all annual emergency department visits in the country.** For more info, please visit **EDPMA.org**.

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