July 1, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar:

The undersigned organizations support the actions of the Centers for Medicare & Medicaid Services (CMS) in last year's Medicare physician payment final rule to utilize the American Medical Association (AMA) Current Procedural Terminology (CPT) Editorial Panel coding framework and AMA Specialty Society Relative Value Scale Update Committee (RUC) recommended values for office and outpatient visits starting January 1, 2021. The framework was the result of significant collaboration by an AMA-convened workgroup that brought together more than 170 state medical and specialty societies. CMS' new office visit policy will lead to significant administrative burden reduction and better describe and recognize the resources involved in office visits as they are performed today.

Our organizations also appreciate the actions of the U.S. Department of Health and Human Services (HHS) and its agencies to provide flexibility, regulatory relief, and financial assistance to physicians and health care professionals to meet the needs of patients during the COVID-19 pandemic. We greatly appreciate HHS' frequent outreach to the physician community and its responsiveness to our recommendations, questions, and concerns. As a result of confronting the novel coronavirus in hard-hit communities and mitigating its spread throughout the country, many practices face a myriad of economic hardships. We are concerned that the financial instability created by this public health crisis will be exacerbated by budget neutrality adjustments required when CMS implements a widely supported Medicare office visit payment policy finalized for 2021. **Therefore, we strongly urge HHS to utilize its authority under the public health emergency declaration to preserve patient access to care and mitigate financial distress due to the pandemic by implementing the office visit increases as planned while waiving budget neutrality requirements for the new Medicare office visit payment policy.**

We are deeply concerned about the impact of the sizable budget neutrality cuts this update will impose on many physicians and health care professionals who do not report office visit codes, including radiologists, pathologists, and physical therapists, all of whom face estimated 2021 payment cuts of more than 8% solely due to budget neutrality. Specialties including general surgeons, critical care physicians, anesthesiologists, emergency physicians and hospitalists face estimated cuts ranging from 5% to 7.8%. The budget neutrality driven cuts also will reduce the positive impacts of the office visit changes for primary care physicians, oncologists, pediatricians, and other specialties for whom the office visits are a high proportion of their services.

Payment reductions of this magnitude would be a major problem at any time, but to impose cuts of this magnitude during or immediately after the COVID-19 pandemic, including steep cuts to many of the specialties that have been on the front lines in efforts to treat patients in places with widespread infection, is unconscionable. Recent survey and claims analysis suggest that physician practice revenue decreased at

least 50% between March and May 2020,[1] which translates to a $70.6 billion reduction in revenue based on AMA analysis of CMS' National Health Expenditure data for 2018. Some physician practices may be able to recoup a portion of that revenue, but not all physicians will be able to do so. The reopening is occurring in phases for physician practices, certain patients are unable or unwilling to leave home for an in-office service or procedure, and physicians will not be able to see nearly as many patients as they did before COVID-19 due to new safety precautions and personal protective equipment supply. In addition to having reduced capacity due to safety precautions, physicians also face increased expenses post-pandemic due to these same safety precautions. We believe it is a reasonable assumption that practice revenue would be reduced by a minimum of 25% from the norm over the June to August period. That would amount to another $35.3 billion reduction in revenue based on AMA analysis of CMS' National Expenditure data for 2018. While some of that revenue loss has been offset by the CARES Act Provider Relief Fund grants, the estimated $11 billion received thus far from the $50 billion of general distribution funding represents only 10% of the total estimated revenue loss.

In addition, CMS loaned $40.4 billion as a lifeline to physicians, health care professionals, and other Part B suppliers during the initial phase of the pandemic through the Advanced Payment Program. Under current terms, these loans will be recouped by offsetting Medicare payments beginning in August. Our organizations are seeking regulatory and statutory improvements to these loan repayment terms, including a much lower interest rate, but even in the event of improved terms, many physician practices face the possibility that they will have either just finished repaying these loans or still be in the process of repaying them when the budget neutrality cuts take effect, compounding its negative impact.

These challenges highlight the urgent need for HHS to ensure practices facing severe economic strain and uncertainty are able to continue meeting the needs of patients during and after the pandemic. **For these reasons, our organizations strongly urge HHS to use its authorities and flexibilities under the public health emergency to implement the office visit increases and waive the requirement for CMS to adjust Medicare physician payments for budget neutrality when it implements the office visit coding and payment changes that it has finalized for 2021.**

Sincerely,

American Medical Association
Academy of Nutrition and Dietetics
AMDA-The Society for Post-Acute and Long-Term Care Medicine
American Academy of Allergy, Asthma & Immunology
American Academy of Audiology
American Academy of Child & Adolescent Psychiatry
American Academy of Dermatology Association
American Academy of Facial Plastic and Reconstructive Surgery
American Academy of Family Physicians
American Academy of Hospice and Palliative Medicine
American Academy of Ophthlamology

[1] Fair Health, Healthcare Professionals and the Impact of COVID-19; MGMA, COVID-19 Financial Impact on Medical Practices; AMGA, Surveys of Financial Impact of COVID-19; Primary Care Collaborative, Primary Care & COVID-19: Surveys.

American Academy of Orthopaedic Surgeons
American Academy of Otolaryngic Allergy
American Academy of PAs
American Academy of Pediatrics
American Academy of Physical Medicine and Rehabilitation
American Academy of Sleep Medicine
American Association of Clinical Endocrinologists
American Association of Clinical Urologists
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Neuromuscular & Electrodiagnostic Medicine
American Association of Oral and Maxillofacial Surgeons
American Chiropractic Association
American Clinical Neurophysiology Society
American College of Allergy, Asthma and Immunology
American College of Cardiology
American College of Chest Physicians
American College of Emergency Physicians
American College of Gastroenterology
American College of Mohs Surgery
American College of Obstetricians and Gynecologists
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiation Oncology
American College of Radiology
American College of Surgeons
American Gastroenterological Association
American Geriatrics Society
American Medical Women's Association
American Nurses Association
American Occupational Therapy Association
American Optometric Association
American Orthopaedic Foot & Ankle Society
American Osteopathic Association
American Physical Therapy Association
American Podiatric Medical Association
American Psychiatric Association
American Psychological Association
American Rhinologic Society
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Laser Medicine and Surgery
American Society for Metabolic and Bariatric Surgery
American Society for Radiation Oncology
American Society for Reproductive Medicine
American Society for Surgery of the Hand

American Society of Anesthesiologists
American Society of Breast Surgeons
American Society of Cataract & Refractive Surgery
American Society of Colon and Rectal Surgeons
American Society of Dermatopathology
American Society of Echocardiography
American Society of General Surgeons
American Society of Hematology
American Society of Neuroradiology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Society of Regional Anesthesia and Pain Medicine
American Society of Retina Specialists
American Society of Transplant Surgeons
American Speech-Language-Hearing Association
American Thoracic Society
American Urogynecologic Society
American Urological Association
American Vein & Lymphatic Society
Association for Clinical Oncology
Association of American Medical Colleges
College of American Pathologists
Congress of Neurological Surgeons
Heart Rhythm Society
Infectious Diseases Society of America
International Society for Advancement of Spine Surgery
Medical Group Management Association
National Association of Medical Examiners
National Association of Social Workers
North American Neuromodulation Society
North American Spine Society
Outpatient Endovascular & Interventional Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of American Gastrointestinal Endoscopic Surgeons
Society of Critical Care Medicine
Society of Gynecologic Oncology
Society of Hospital Medicine
Society of Interventional Radiology
Spine Intervention Society
The Society of Thoracic Surgeons
Undersea and Hyperbaric Medical Society