

March 5, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi, Majority Leader Schumer, Leader McConnell, and Leader McCarthy:

On behalf of the physician and student members of the American Medical Association (AMA), I am writing to ask you to address two imminent threats to the financial viability of physician practices: the April expiration of the current moratorium on the 2% Medicare sequester, and projections that the American Rescue Plan Act will trigger an additional 4% Medicare sequester.

The continued negative fiscal impact of the COVID-19 pandemic on physician practices is undeniable. The AMA's recent report, "[Changes in Medicare Physician Spending During the COVID-19 Pandemic](#)" analyzed Medicare claims data exclusive to physician services and found spending dropped as much as 57% below expected pre-pandemic levels in April 2020. And, while Medicare spending on physician services partially recovered from the April low, it was still 12% less than expected by the end of June 2020. During the first half of 2020, the cumulative estimated reduction in Medicare physician spending associated with the pandemic was \$9.4 billion (19%). Results from an earlier AMA-commissioned survey of 3,500 practicing physicians conducted from mid-July through August 2020 found that 81 percent of respondents were still experiencing lower revenue than before the pandemic.

Recognizing that the challenges associated with the pandemic continue, Congress included provisions in the *Consolidated Appropriations Act, 2021*, signed into law last December, that further postponed the Medicare sequester until March 31, 2021. Yet, it is clear that the COVID-19 pandemic will extend well beyond the first quarter of this year and, absent additional Congressional intervention, these harmful payment cuts will be re-imposed on April 1, 2021.

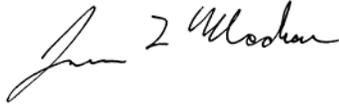
Now, as Congress prepares to pass an economic stimulus plan, physician practices confront an even greater threat of Medicare cuts in 2022. According to the Congressional Budget Office, final passage of the American Rescue Plan Act of 2021 would set in motion PAYGO statute reductions in Medicare spending of 4% next year, totaling \$36 billion. We strongly oppose these arbitrary across-the-board Medicare cuts, and the predictably devastating impact they would have on many already distressed physician practices.

We urge you to take immediate action to prevent the triggering of Medicare cuts that would result from final passage of the American Rescue Plan Act. We also continue to urge you to pass H.R.

The Honorable Nancy Pelosi
The Honorable Charles Schumer
The Honorable Mitch McConnell
The Honorable Kevin McCarthy
March 5, 2021
Page 2

315, the “Medicare Sequester COVID Moratorium Act”—bipartisan legislation that would continue the current Medicare sequester moratorium for the duration of the public health emergency.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Madara". The signature is written in a cursive style with a large initial "J" and a distinct "L".

James L. Madara, MD