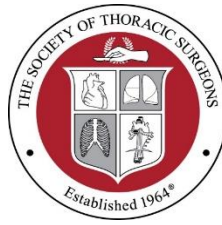


STS Headquarters
633 N Saint Clair St, Suite 2100
Chicago, IL 60611-3658
(312) 202-5800
sts@sts.org



Washington Office
20 F St NW, Suite 310 C
Washington, DC 20001-6702
(202) 787-1230
advocacy@sts.org

November 30, 2023

The Honorable Brad Wenstrup, DPM
United States House of Representatives
Washington, DC 20515

The Honorable Greg Murphy, MD
United States House of Representatives
Washington, DC 20515

The Honorable Michael Burgess, MD
United States House of Representatives
Washington, DC 20515

Re: H.R. 6371, Provider Reimbursement Stability Act of 2023

Dear Representatives Wenstrup, Murphy, and Burgess,

On behalf of The Society of Thoracic Surgeons (STS), I would like to thank you for introducing H.R. 6371, Provider Reimbursement Stability Act of 2023. Founded in 1964, STS is a not-for-profit organization representing more than 7,700 surgeons, researchers, and allied healthcare professionals worldwide who are dedicated to ensuring the best possible outcomes for surgeries of the heart, lungs, and esophagus, as well as other surgical procedures within the chest.

We deeply appreciate your leadership on this legislation that aims to make targeted reforms to the budget-neutrality policies that have been consistently decreasing Medicare physician payments and is needed to create stability and predictability for Medicare physician payments. This bill includes four important reforms.

First, it would ensure that budget neutrality adjustments are based on the actual utilization of new codes, rather than arbitrary assumptions. As we have seen, CMS can overestimate utilization assumptions related to code revaluations in its budget neutrality estimates, resulting in permanent and untenable Medicare cuts to physician payments across-the-board. This legislation would provide a lookback period that would allow CMS to reconcile erroneous utilization projections based on actual claims and adjust the conversion factor as necessary.

Second, it would also update the spending threshold that initiates a budget neutrality adjustment, which has not been adjusted for inflation since 1989. This bill would raise this threshold from \$20 million to \$53 million and adjust it every 5 years based on the cumulative increase in MEI during that time. This change would allow for greater flexibility in determining relatively minor pricing and policy changes for services without triggering across-the-board cuts.

Third, the legislation would require the Secretary to limit budget neutrality adjustments to 2.5% each year. This would provide greater stability for the Medicare physician payments by removing relatively large and abrupt changes in conversion factor calculations in any given year.

Finally, starting in 2026, clinicians participating in qualifying alternative payment models (APMs) will receive a higher Medicare Physician Fee Schedule payment update each year than clinicians participating in MIPS. This legislation clarifies that the differential payment update for 2026 will apply to the conversion factor CMS established in 2025.

Enactment of each of these policies will positively impact the financial viability of physician practices and increase access to Medicare services. Thank you once again for your commitment to reforming Medicare physician payment. We look forward to working with you and your colleagues in this endeavor.

Please contact Molly Peltzman, Associate Director of Health Policy, at mpeltzman@sts.org, or Derek Brandt, Vice President of Government Affairs, at dbrandt@sts.org, should you need additional information or clarification.

Sincerely,

A handwritten signature in black ink, reading "Thomas E. MacGillivray". The signature is written in a cursive, flowing style.

Thomas E. MacGillivray, MD
President