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United States Senate

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October 9, 2020

The Honorable Mitch McConnell
Senate Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Senate Minority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Leader McConnell, Leader Schumer, Chairman Grassley, and Ranking Member Wyden:

I write today regarding the recent 2021 Medicare Physician Fee Schedule (PFS) proposed rule and my concern with the ill-timed payment cuts proposed for certain physician specialties and providers. Remarkably, physicians and other health care professionals are now facing harmful payment cuts at the very time they are responding to the COVID-19 pandemic and trying to recover from the significant financial challenges brought on by this virus. In light of the ongoing public health and economic crisis, I urge Congress to waive the budget neutrality requirements stipulated in Section 1848(c)(2) of the Social Security Act before the final evaluation and management (E/M) code proposal is implemented on January 1, 2021.

The final calendar year (CY) 2020 Medicare Physician Fee Schedule rule increased rates for the office-based E/M code set in CY2021. While there was widespread support for restructuring and revaluing the office-based E/M codes, CMS estimates the 2021 policies will increase Medicare spending by \$10.2 billion. Due to budget neutrality requirements, steep reductions are currently required to offset this increase. While I understand the importance of adhering to existing budget neutrality requirements under normal circumstances, now is not the time to move forward with such significant changes that threaten patient access to medically necessary services.

The reimbursement cuts primarily fall on the backs of providers across non-primary care specialties – from radiology to physical therapy to orthopaedic surgery. Payment changes vary widely but several specialties are facing more than 10 percent reductions in payment. If these changes go into effect, they could have a devastating effect on providers, health care practices, and, most important, patient access to care. They will burden a health care system already struggling due to the pandemic, and payment cuts of this magnitude have the potential to cause lasting damage to the health care system if practices must close or limit their services.

Moreover, physicians and other health care professionals have confronted this unprecedented public health emergency and continue to serve on the frontlines of this terrible pandemic. Yet, some of the health care heroes who are critical to the COVID-19 response, such as those serving

in emergency medicine and infectious disease, are even facing multi-percentage Medicare payment cuts if the proposed fee schedule goes into effect.

For these reasons, I strongly request that Congress prevent these cuts by waiving the budget neutrality requirements or by holding health care providers harmless from the cuts associated with the finalized E/M code policies slated for implementation on January 1, 2021.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Collins". The signature is written in a cursive style with a large, stylized "S" and "M".

Susan M. Collins
United States Senator